AT THE HEART OF HELPING HEALTHCARE SCALE UP.

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I take pride in Tecan's crucial role in driving the future of healthcare, where the focus will shift decidedly to the individual patient.

Tecan shares the same vision as our customers: the right diagnosis and treatment for each and every patient. We empower personalized medicine informed by every patient's genes, cells and tissues. In many analytical, diagnostic and treatment ecosystems, Tecan is an essential enabler of precision medicine now and in the future.

This year's Annual Report from Tecan highlights our role in scaling healthcare innovation globally and the transformations that make it so significant. Healthcare and medicine are progressing faster than ever. With a staggering 1,500 investigational new drugs (INDs) based on gene and cell therapeutical approaches, personalized medicine will inevitably grow from innovative ideas to routine practice.

As our population grows and ages, and with skilled labor in constant demand, the need for solutions that can power scalable and affordable healthcare remains urgent. Tecan is already at the heart of making this a reality by empowering early research all the way to clinical applications with efficient workflows and healthcare solutions.

Invariably, scientific progress is achieved by individual researchers and individual laboratories. They are the ones who innovate new methods, technologies, and workflows. To ensure that these successful innovations can be replicated across different healthcare institutions anywhere in the world, standardization and scalability are essential.

Standardization is also essential for quality assurance, comparability, and the possibility of reimbursement by healthcare systems. When we achieve levels of scale driven by modularization and platform building, we enable the adoption of new work processes and the potential to spread them globally – to reach every healthcare system in the world.

The first stage of scaling concerns the research experiments themselves. Individual experiments are often carried out manually in a research lab before they can be automated in their thousands.

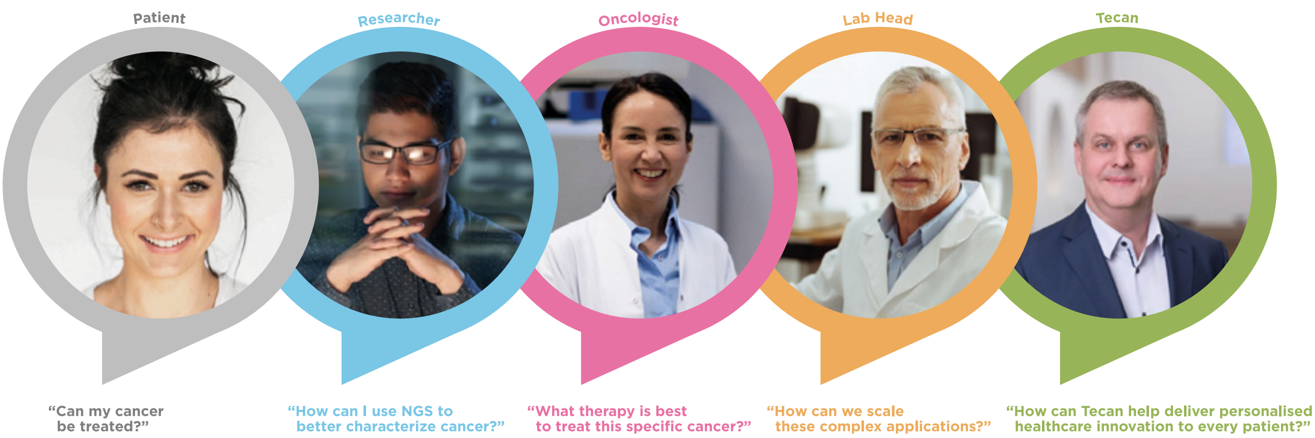
Tecan's proprietary technology is based on robust hard- and software modules that address a wide range of life science, diagnostics, and increasingly medical applications. This modular approach means that Tecan can readily develop and manufacture innovative solutions on its proven platforms, accelerating time to market while reducing development risk. This is an important accelerator of innovation. Tecan's modular approach addresses most conceivable system setups in different fields of the healthcare industry. This makes Tecan a reliable long-term partner to industrial and research ecosystems, e.g. at academic and research institutions – and therefore a sound investment in the promising future of healthcare innovation.

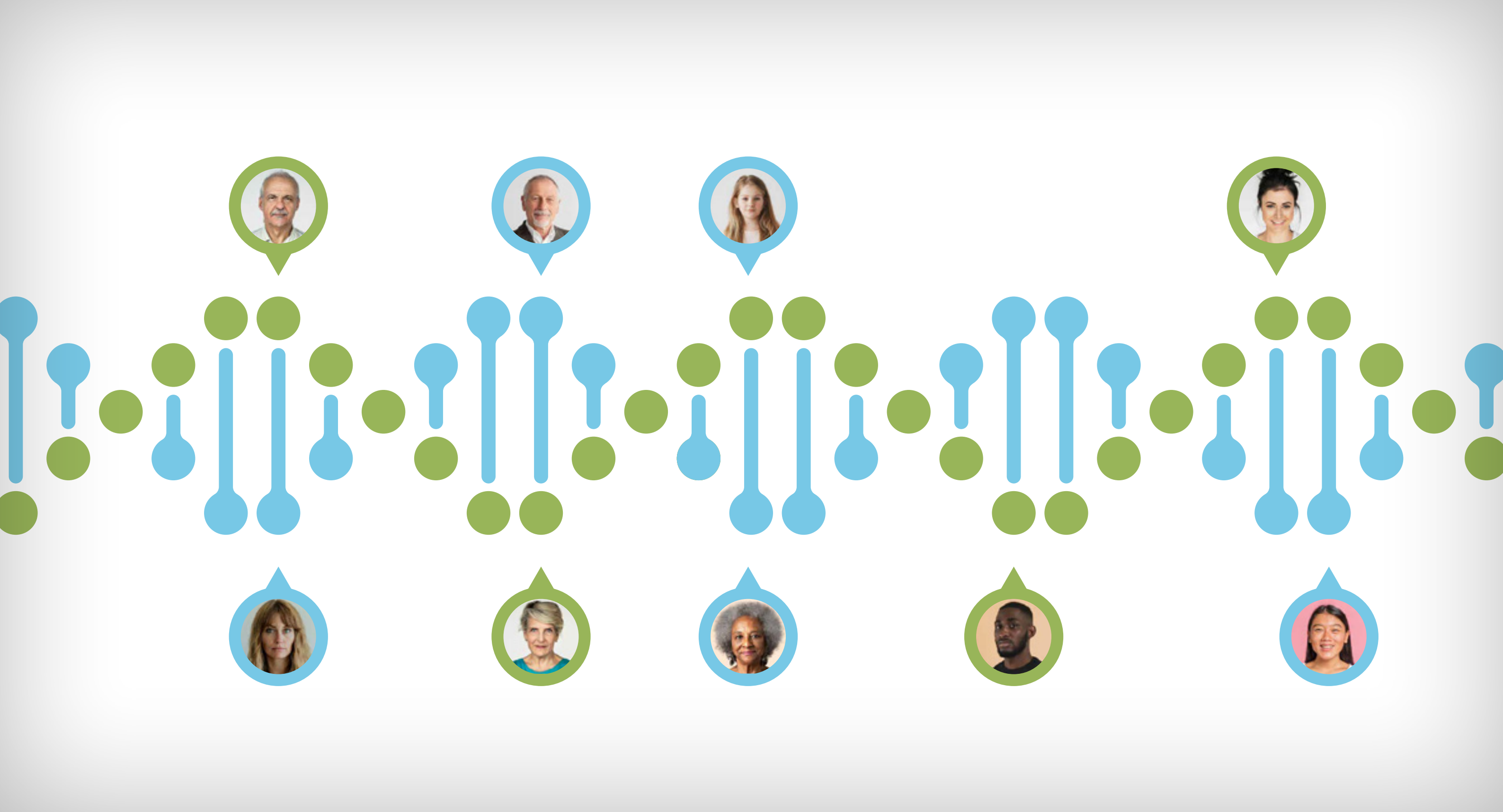
With its two businesses, the Life Sciences and the Partnering Business, Tecan is uniquely positioned to scale innovation in healthcare from research to the clinic. Through Tecan a win-win situation can be achieved for both our partners and Tecan, leveraging economies of scale.

We see an ever-broader healthcare contribution from Tecan in the phases from liquid biopsy sample preparation to routine diagnostics to medical applications like robotic surgery. This will improve the diagnosis and treatment of many millions, and potentially billions of people in the future. As innovations reach maturity, Tecan will be at the forefront of clinical routine, contributing to the growth of innovative treatments and digital solutions for new approaches in prevention, diagnosis, treatment, and monitoring.

Thank you for your continued support while Tecan remains committed to being at the heart of helping healthcare scale.

Dr. Achim von Leoprechting
Chief Executive Officer





SCALING GENOMICS AT THE HEART OF HEALTHCARE.

Next Generation Sequencing (NGS) increasingly is at the heart of genomic workflows. It is now possible to sequence an entire genome for as little as a few hundred US dollars, and the number of innovations in the field of NGS continues to grow as the technology develops.

As new NGS methods and related technologies enter the market, Tecan is ideally positioned to adapt to them with its modular, customized approach. For example, Tecan products support new and innovative workflows, such as for liquid biopsies. The connection between the Tecan Life Sciences Business and Tecan Partnering Business is particularly attractive for Tecan's business partners, representing the opportunity for the best innovations arising from research on a Tecan platform to develop into new commercial diagnostic platforms that can be sold worldwide.

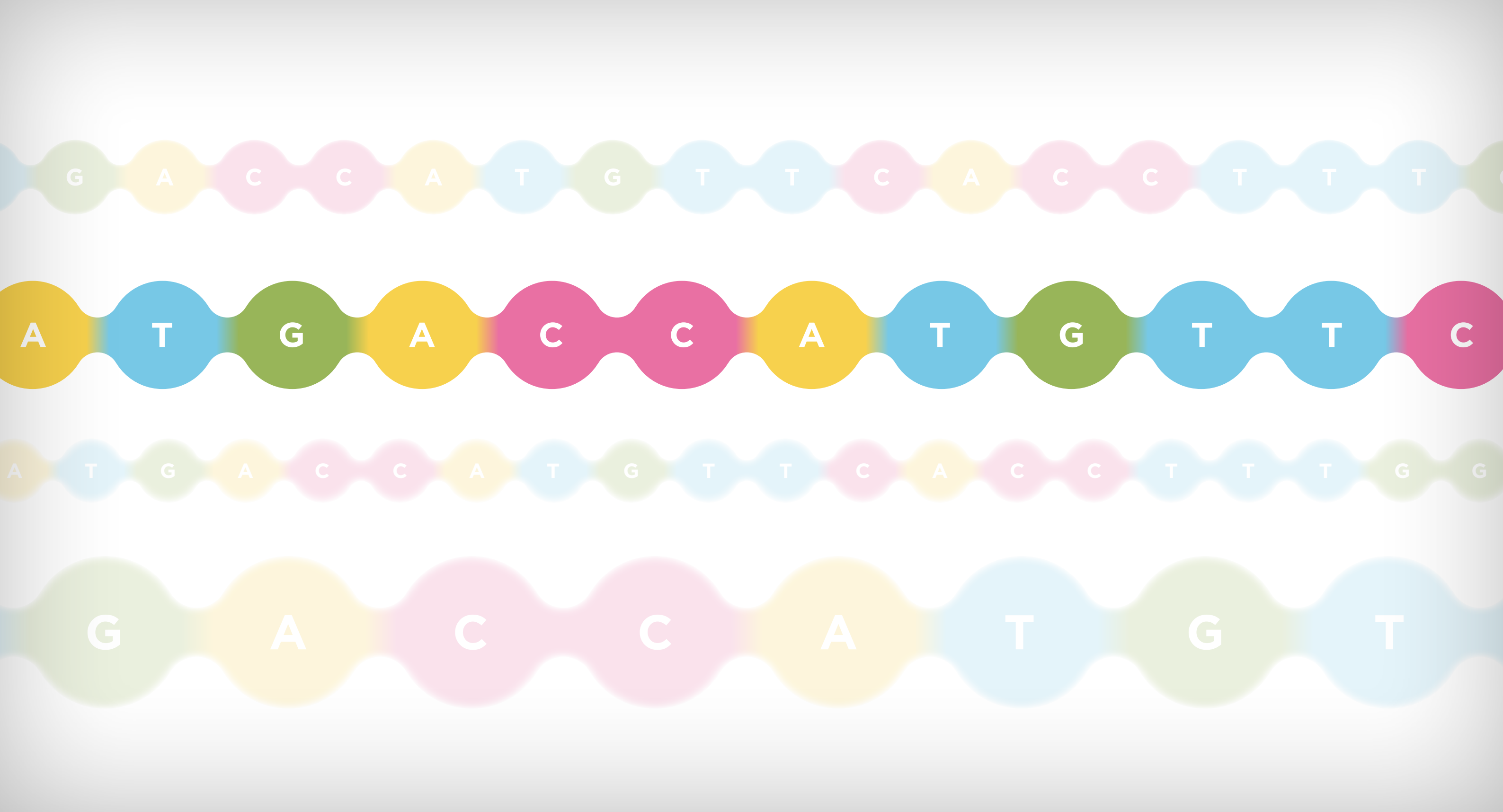
Our modular portfolio allows us to respond rapidly and flexibly to market needs and develop solutions for our commercial partners quickly, built on a robust, reliable platform. What starts off as the purchase of a single Tecan system from the Life Sciences Business may convert to a major agreement between the Tecan Partnering Business and a large in-vitro diagnostics company to develop a proprietary platform using common building blocks.

Tecan's core expertise in fluidics is also crucial for building the best sequencers in the first place. Fluidics is a key component of sequencing instruments, giving sequencing companies a solid reason to work closely with us. Manual sample preparation for NGS is highly error-prone and a huge barrier to productivity. All forms of NGS require sample preparation that is fast, efficient, and reliable, on a scale that also makes it available and affordable for patients. Tecan's sample and library preparation solutions are compatible with all the major players in the NGS market.

For personalized medicine, NGS helps to identify genetic variations associated with diseases. Whole genome or targeted NGS means clinicians can make better informed decisions about diagnosis, treatment, and prognosis. In cancer research, NGS provides insight into the genomic alterations that underlie tumorigenesis. Tumor heterogeneity, clonal evolution and the identification of actionable mutations guide the development of targeted therapies and immunotherapies.

In the future vision of value-based healthcare, individual genomes or DNA sequences will be routinely sequenced for everyone and seamlessly integrated into routine care. This information will make it possible to assess individual cancer risk, including the assessment of minimal residual disease (MRD) after taking liquid biopsies to check whether a cancer has returned and to adjust therapy. It will be possible to customize treatments and prevent adverse drug reactions – promising a new dimension of precision, prognosis and prediction compared to today's healthcare.

In the future vision of value-based healthcare, individual genomes or DNA sequences will be routinely sequenced for everyone and seamlessly integrated into routine care.



AT THE HEART OF NEXT GENERATION SEQUENCING (NGS).

NGS enables better patient care – from research to diagnosis, treatment, and disease prevention.

Tecan's products and technologies are embedded in every step of the NGS ecosystem of activities, from sequencing providers, reagent suppliers, basic research institutions, genetic testing and clinical reference laboratories to in-vitro diagnostics companies. This deep integration enables us to scale healthcare innovation globally on a broad scale. We empower NGS sample and library preparation for greater consistency, speed, throughput, and increased efficiency. In addition, automation can work with smaller quantities of reagents, which makes it more sustainable and helps to save costs.

Tecan improves the preparation workflows for various sequencing technologies and works with many industry-leading companies for short-read and long-read sequencing. Our sample prep solutions are suitable for broad sequencing to explore the genome, as well as for targeted sequencing to identify known genetic mutations in a patient. We understand the essential position that the major NGS companies occupy in the research and clinical world and work with them every day to empower workflows and increase efficiencies.

One noteworthy example is Tecan's partnership with Oxford Nanopore, a leading biotechnology company specializing in the development and commercialization of Nanopore sequencing technology. This alliance enabled automated, seamless, and fully compatible preparation of Nanopore sequencing libraries for fragments of native DNA/RNA of any length – an important complement to sequencing platforms and protocols that sequence short fragments in the 300 to 600 base-pair range.

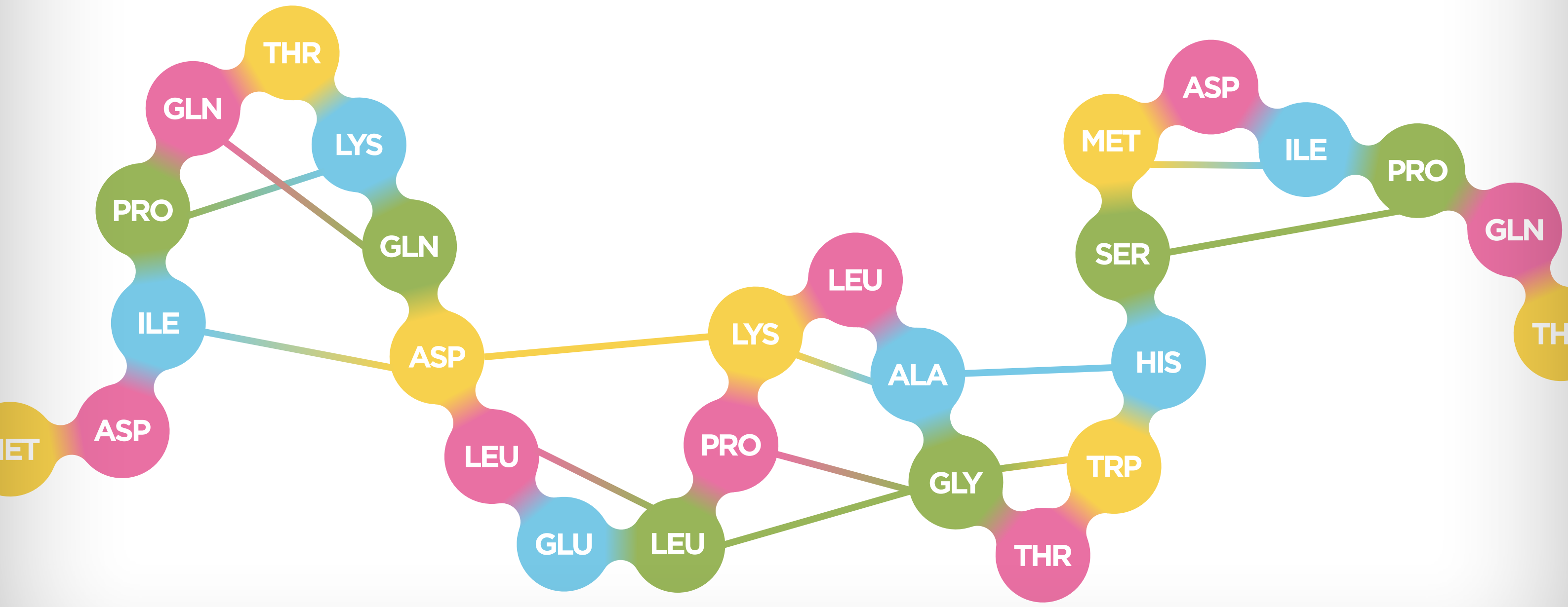
The initial collaboration between Oxford Nanopore and Tecan enabled high-throughput library preparation on Tecan's DreamPrep® NGS platform. Then, in December 2023, Oxford Nanopore announced the beta launch of the TurBOT sample-to-answer device developed in partnership with Tecan. This innovation promises to bring a new level of convenience and reliability to Oxford Nanopore's customers, ultimately enabling information obtained through nanopore sequencing to benefit more patients in areas such as infectious diseases and oncology.

These collaborations are a great example of synergies between the Life Sciences Business and Partnering Business!

Another shining example of Tecan's contribution to scaling genomics in healthcare is the development of the MagicPrep® NGS system – a new category of automated laboratory instrument that enables easy preparation of NGS libraries for Illumina as well as other sequencing platforms. MagicPrep NGS has been customized to the specific chemistries and offers a convenient solution that is as easy as brewing a cup of coffee in a fully automatic machine. Instead of having to deal with a large-scale front-end, you simply insert your samples, press the button, and get your results. MagicPrep NGS introduces a new level of simplicity, helping to drive overall adoption of sequencing, so that the prospect of personalized medicine becomes a reality.

The tedious and error-prone manual pipetting involved in preparing libraries for NGS is now a thing of the past. To start a MagicPrep NGS run takes less than 10 minutes, with reagent and sample loading as the only steps. The simple system offers true walkaway automation while being user-friendly, reliable, and reproducible. It is compact enough to fit on the lab bench and very easy to set up. As a result, the average turnaround time for DNA workflows is now just over five hours and over 10 hours for RNA, allowing any lab to easily perform two DNA prep runs per day.

Tecan's products and technologies are embedded in every step of the NGS ecosystem of activities, from sequencing providers, reagent suppliers, basic research institutions, genetic testing and clinical reference laboratories to in-vitro diagnostics companies.



SCALING PROTEOMICS AT THE HEART OF HEALTHCARE.

Proteomics is transforming healthcare by enabling precise and personalized medicine for diagnoses, treatments, and post-treatment monitoring. It covers a wide range of applications, from simple hormone measurements to chronic cancer management. However, to integrate proteomics into mainstream patient care, it is crucial to scale and simplify the technology. This demands easy-to-use, walk-away platforms that can rapidly and reliably process numerous clinical samples.

Proteomic workflows increasingly rely on mass spectrometry, which requires extensive sample preparation and has limited throughput when done manually. This manual process is burdensome, error-prone and complex. To make mass spectrometry more accessible, the automation of sample preparation has become essential to meet the increasing demand for higher throughput and reproducible results.

Tecan has successfully integrated essential extraction and sample processing technologies that are compatible with mass spectrometry. This includes positive pressure workstations and clinical sample preparation protocols, protein sample prep and methods such as solid-phase extraction (SPE), dilute-and-shoot (D&S) and liquid-liquid extraction (LLE).

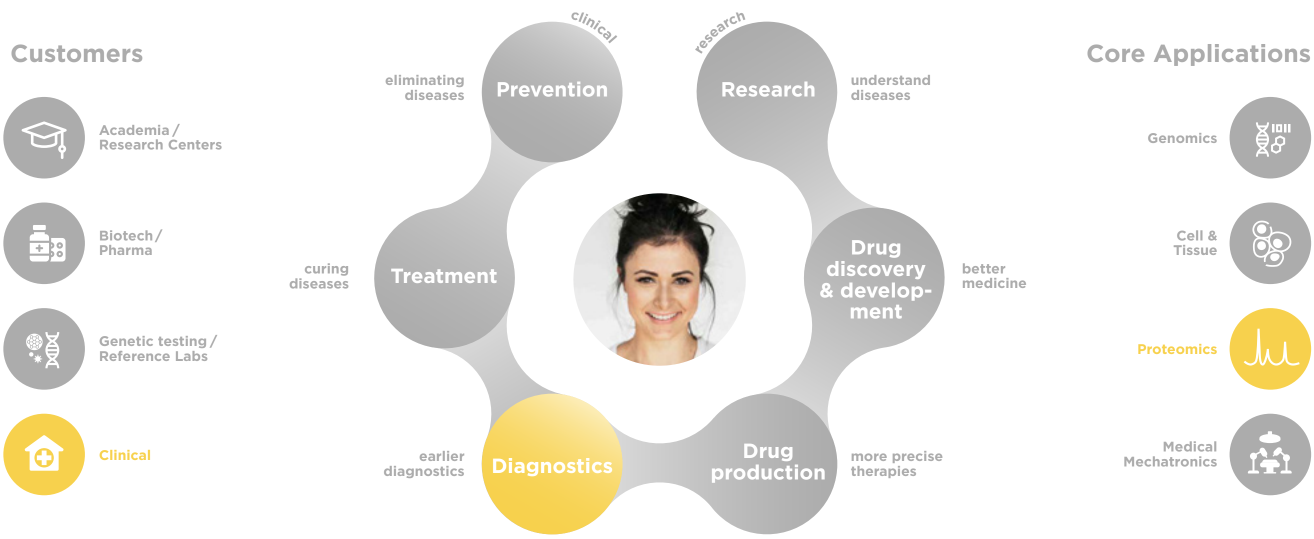
In 2024 Tecan launches the Resolvex® i300, a fully integrated positive pressure module for solid phase extraction (SPE) and filtration for automated mass spectrometry sample preparation on the Fluent® Automation Workstation. Designed for use in various fields, this innovative solution will play a vital part in proteomics workflows, helping to accelerate our understanding of disease mechanisms, identify disease biomarkers and develop targeted therapies.

Tecan, through its OEM partnering program, also offers tailored automation solutions that combine precise liquid handling with advanced extraction technologies. By utilizing Tecan's platforms and pre-approved modules and customizing them, innovative diagnostic platforms can be developed and brought to market quickly. One such example is the collaboration with the Thermo Fisher-owned company The Binding Site, a UK-based diagnostics company specializing in blood cancers and immune disorders, to develop a strategy for monitoring precancerous conditions associated with Multiple Myeloma (MM), the second most prevalent blood cancer worldwide. [5] Following treatment, MM patients exhibit minimal residual disease (a lower number of malignant cells), which indicates treatment success.

The Binding Site's new method increases sensitivity to detect a critical protein (M-protein) by a substantial factor compared to traditional methods. With remarkable treatment successes in recent years, many patients are achieving M-protein concentrations below detectable limits using standard techniques. However, differences in disease progression persist within this group.

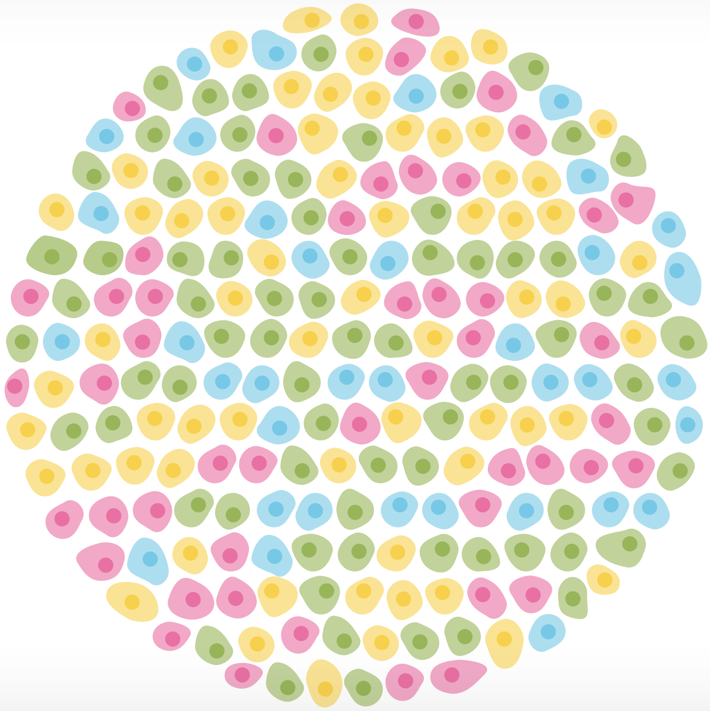
The collaborative approach demonstrated by Tecan and The Binding Site resulted in the successful launch of the IVDR-certified EXENT Solution platform in 2023, within a shorter timeframe than expected if designed from scratch. The EXENT® Solution answers the unmet clinical need for more sensitive analytical methods that can differentiate between subsets, without initiating invasive bone marrow biopsy techniques too early.

To address this issue, a method using MALDI-TOF mass spectrometry was developed to enable more sensitive detection of serum M-proteins during patient monitoring. This method involved complex sample preparation, including immunoglobulin extraction. The Fluent 780 Automation Workstation was rapidly adapted during the development phase to automate nearly all manual steps in the workflow. This automation significantly improved accuracy and sensitivity in mass spectroscopy results, surpassing traditional methods like gel electrophoresis.
The ability of mass spectrometry to detect post-translational modifications opens possibilities for broader clinical applications in the future. EXENT sets a remarkable precedent for user-friendly, walk-away, end-to-end solutions in proteome profiling.



By utilizing Tecan's platforms and pre-approved modules and customizing them, innovative diagnostic platforms can be developed and brought to market quickly.

[5] https://gco.iarc.fr/today/home (accessed 9 January 2024)
[6] https://www.tecan.com/tecan-journal/novel-methods-guiding-cancer-treatment



SCALING CELL AND TISSUE INNOVATIONS AT THE HEART OF HEALTHCARE.

Cell and tissue analysis play a crucial role in understanding the causes and effects of diseases and treatments. Cell models and, increasingly, adult stem cells are being used to provide a better model for drug discovery and to test the efficacy of a drug candidate. However, the traditional techniques used in this field have been labor-intensive. Pathologists employ various methods, such as specialist staining of biopsy samples, immunohistochemistry (IHC), flow cytometry (FCM), in situ hybridization (ISH), microarrays, next-generation sequencing (NGS), and cell culture.

Genomic and proteomic analyses often rely on single cells or clones derived from them. Tecan's Uno Single Cell Dispenser™ is a valuable tool for isolating single cells. Clonal isolation of single cells enables the generation of cell lines with specific genetic mutations, which can be utilized in various downstream applications. For instance, they can be used to explore cellular signaling pathways or to create fluorescent-tagged cells for imaging or sorting purposes. The single-cell dispenser offers a rapid and efficient method to generate single-cell clones with high fidelity and throughput. It paves the way for label-free single-cell proteomics, potentially revolutionizing tumor analysis, especially in the study of inter- and intratumor heterogeneity.

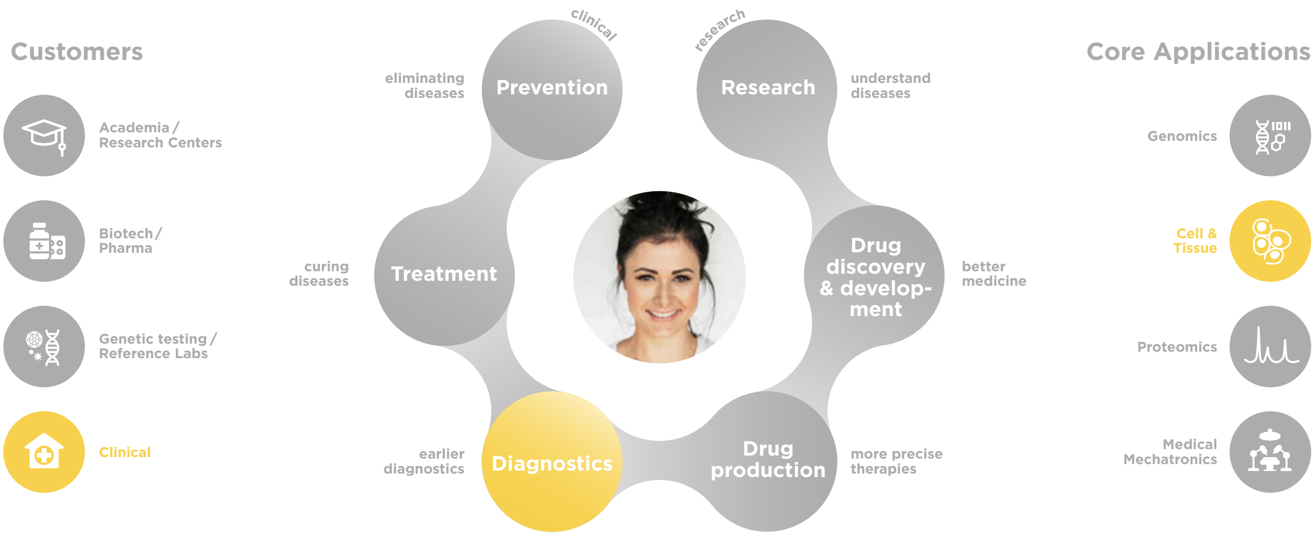
Automation and workflow integration play a crucial role in addressing the challenges mentioned above, ensuring accelerated speed to market for both single-cell and tissue analysis and diagnostics. Tecan, through its OEM partnering program, is actively shaping the global pathology environment with successful collaborations such as with Dako Omnis for Agilent and with the Sysmex Corporation PS-10 Sample Preparation System for flow cytometry.

Tecan was a partner in creating the Dako Omnis platform, which is designed to meet the needs of the high-volume pathology lab that runs both IHC and ISH slides. Real-life case studies demonstrate that labs using Dako Omnis have increased daily throughput by up to 74% with fewer instruments, reduced case turnaround time by 10-12%, and minimized hands-on time by up to 37%.

The Sysmex PS-10 is a highly automated, flexible sample prep system for lab-developed tests and routine flow cytometry applications. It automates the complicated and time-consuming sample prep processes, making testing more efficient, reducing manual effort, and contributing to standardization. Bottlenecks in sample preparation are overcome for more consistent results, greater efficiency, and flexibility for laboratory staff. Tecan's Cavro® Omni Flex platform serves as the basis for this sample prep system developed specifically for FCM, and existing technologies are directly integrated into the device.

As healthcare providers face a growing number of biopsies required for disease monitoring and treatment, there is a pressing need to simplify these techniques while ensuring compliance with regulatory guidelines. The focus is on increasing speed and throughput. Addressing the bottleneck in sample processing opens challenges in downstream analysis. Consequently, integrating digital imaging solutions, including AI tools, into the workflow becomes essential to provide timely clinical decisions.

By leveraging its life sciences expertise and its OEM partnering, Tecan has the potential to greatly improve patient outcomes through the development and scaling of custom automated platforms for cell and tissue analysis. This can be particularly beneficial in optimizing therapy for chronic cancer cases and finding new ways to enhance patient care.



Genomic and proteomic analyses often rely on single cells or clones derived from them.

AT THE HEART OF MEDICAL TECHNOLOGY.

Medical technology, particularly the field of medical mechatronics, which focuses on the design and manufacturing of complex medical products with a high robotic and/or custom electronic component, serves as the foundation for a wide range of medical applications such as robotic surgery, energy-based devices for esthetic surgery, cardiovascular controllers, patient monitoring or tele-medical devices.

Tecan's capabilities are highly relevant to medical mechatronics. We are continuously expanding our presence in this field. As an end-user business and original equipment manufacturer (OEM) partner for automation solutions, Tecan is committed to advancing in robotics, fluidics, customized electronics, and their various applications. There are numerous similarities and synergies among life science research, clinical practice, and the medical field.

Medical mechatronics is an adjacent market that intersects with life science and diagnostic technologies, offering potential for synergies and manufacturing efficiencies.

Tecan stands out in the highly regulated clinical and medical markets due to our depth of expertise in this area. With this knowledge and specialization in the regulatory field, Tecan assists companies in navigating complex regulatory processes across major markets, so that their solutions are fully compliant and available in more regions around the world.

Today, Tecan collaborates closely with medical companies to meet their specific needs. We provide comprehensive development and manufacturing capabilities, including expertise on how energy can be delivered to human tissue, and its effects on the body. For example, acoustic shock-wave therapy has been shown to reduce scar tissue, and tissue heating has been used in a variety of different surgical applications.

Our contribution, e.g. in minimally invasive surgery, brings significant value to the healthcare ecosystem by improving surgical outcomes, reducing complications, and shortening recovery times. These advancements not only enhance patient care but also contribute to cost reduction and increased surgical capacity.

Our vPoke mechanical assembly process ensures precision, accuracy, and improved quality control, while maintaining traceability. With the ability to scale free of constraints, customers can trust that their mechatronic instruments and modules are flawlessly manufactured every time.

Medical technology serves as a foundation for a wide range of medical applications such as robotic surgery, cardiovascular controllers, patient monitoring or telemedical devices.

SUMMARY.

At Tecan we help scientists accelerate their research and translate their findings into real-world medical applications. Tecan plays a central role in driving global healthcare innovation, scaling its impact across the world. We prioritize standardization and scalability to ensure the quality and adaptability of new healthcare workflows and products. Aligned with our customers, our shared vision is focused on empowering research and achieving accurate diagnoses and personalized treatments for each patient, leveraging the power of genes, proteins, cells, and tissues as well as medical innovations.

In the Life Sciences Business, Tecan offers automation solutions that directly improve the efficiency and standardization of our diverse end customer's workflows, including sample preparation for next-generation sequencing (NGS). This breakthrough technology revolutionizes patient care by providing personalized insights for each individual. NGS is just one of many genomic applications, highlighting the breadth of our impact in this field.

Through our Partnering Business, we extend our market reach by collaborating with partners to bring healthcare solutions to market. Leveraging Tecan's OEM capabilities, which include standardized or customized liquid handling components, OEM system development and automation, medical products, as well as lifecycle management and contract development and manufacturing. We pursue strategies to address healthcare challenges, such as hereditary diseases, metabolic diseases, cancer, and many more.

The integration of our automation solutions and partnering initiatives leverage the synergies of these two channels, allowing us to maximize the benefits of our modular platform approach and overarching expertise for our customers.

Automation and workflow integration are pivotal to meet the growing demands on increased throughput and diagnostic complexities. Our capabilities extend to comprehensive manufacturing and development in medical mechatronics. Tecan remains committed to advancing healthcare and contributing to precise and personalized healthcare for patients worldwide.

CONTENTS

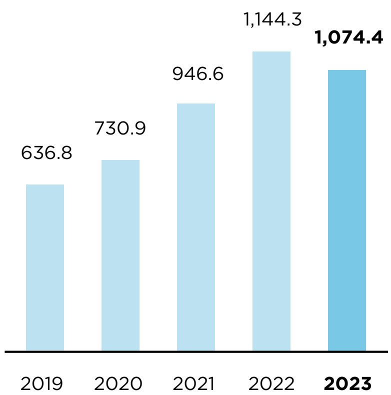
2023 AT A GLANCE

KEY FIGURES

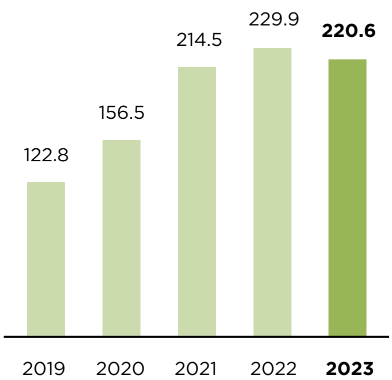
CHF million	2022	2023	Δ in %
Order Entry	1,132.9	1,028.1	-9.3%
Sales	1,144.3	1,074.4	-6.1%
Sales in local currencies	1,089.0	1,074.4	-1.3%
Reported EBITDA	214.9	207.3	-3.5%
in % of sales	18.8%	19.3%	
Adjusted EBITDA	229.9	220.6	-4.1%
in % of sales	20.1%	20.5%	
Net profit	121.1	132.1	+9.0%
Adjusted net profit	154.4	164.4	+6.5%
EPS (CHF)	9.53	10.34	+8.5%
Adjusted EPS (CHF)	12.14	12.88	+6.1%

FINANCIAL SUMMARY

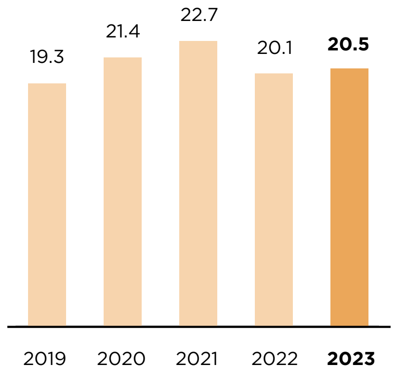
SALES
(CHF million)



EBITDA
(CHF million)

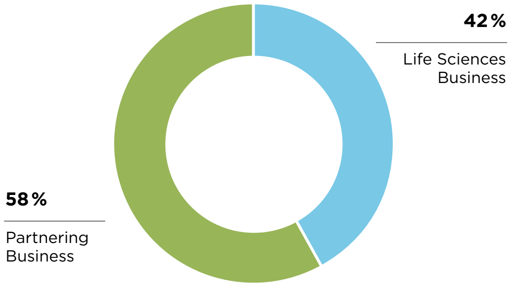


EBITDA MARGIN
(in % of sales)

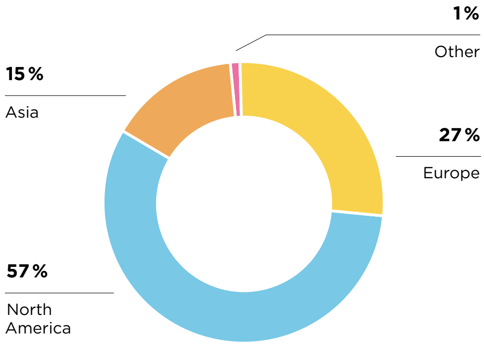


Adjusted EBITDA for 2020-2023

SALES BY BUSINESS SEGMENTS
(in % of sales)



SALES BY REGIONS
(in % of sales)



LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS

Tecan concluded a successful 2023 in a challenging market environment, thanks to the dedication of our teams around the world. Our solid performance is built on our close collaboration with our valued business partners and our unique breadth of product offerings in multiple end markets, empowering early research all the way to clinical and medical applications. While customer spending may remain conservative in 2024, we are well positioned to capitalize on opportunities across multiple regions and growth market segments as we continue our journey of scaling healthcare innovation globally.

FINANCIAL RESULTS FULL-YEAR AND SECOND HALF OF 2023

Full-year order entry was CHF 1,028.1 million (2022: CHF 1,132.9 million or CHF 1,078.1 million when compared in local currencies), down 9.3% year-on-year, or 4.6% in local currencies compared to the substantial order entry in 2022, when COVID-related orders as well as orders related to the material cost pass-through still contributed to the high order intake. With solid inflow of new orders close to the level of sales, the book-to-bill ratio reached a value of 0.96. Excluding the effects of lower COVID-related orders and orders related to the pass-through of material costs, underlying order entry grew in the low single-digit percentage range in local currencies.

Order entry improved in the second half of the year and was just 1.9% below the previous year's figure in local currencies, after a more significant decline in the first half of the year.

Underlying sales for fiscal year 2023 increased by 6.3% in local currencies, despite a challenging market environment and cautious investment behaviour among many customers. Underlying sales exclude the effects of lower COVID-related sales (estimated net effect of CHF -58.5m in local currencies) and a lower pass-through of material costs compared to the prior-year period (net effect of CHF -19.7m). In the second half of the year, underlying sales increased by 5.5% in local currencies.

Reported sales for fiscal year 2023 decreased in comparison to fiscal year 2022 by 6.1% in Swiss francs and reached CHF 1,074.4 million, including a substantial negative exchange rate effect (2022: CHF 1,144.3 million or CHF 1,089.0 million when compared in local currencies). Reported sales were 1.3% below the prior-year period when measured in local currencies. Reported sales in the second half decreased by 4.9% in Swiss francs and rose by 1.0% in local currencies.
Reported full-year sales in 2023 also include a significant reduction of pass-through sales compared to 2022, sooner and to a much greater extent than anticipated. As these sales do not generate a margin from passing on higher material costs, this is a desirable development.

At CHF 220.6 million, adjusted operating profit before depreciation and amortization[1] (earnings before interest, taxes, depreciation and amortization; EBITDA) was slightly below the previous year's level (2022: CHF 229.9 million), mainly due to lower sales volumes and a negative impact from exchange rate movements in major currencies versus the Swiss franc. The adjusted EBITDA margin nevertheless increased to 20.5% of sales (2022: 20.1%).

[1] The adjusted operating profit before depreciation and amortization excludes acquisition- and integration-related costs (+CHF 17.7 million) as well as one-time pension plan effects (-CHF 4.4 million).

Adjusted net profit[2] increased to CHF 164.4 million (2022: CHF 154.4 million), supported by a one-time positive effect in connection with transitional measures from the Swiss tax reform. Adjusted earnings per share rose to CHF 12.88 (2022: CHF 12.14). Reported net profit for 2023 increased to CHF 132.1 million (2022: CHF 121.1 million), while basic earnings per share grew to CHF 10.34 (2022: CHF 9.53).

Cash flow from operating activities increased by 25.2% to CHF 160.6 million in 2023 (2022: CHF 128.3 million). In the prior-year period, inventories and safety stocks increased to ensure delivery capability in times of tight material supplies. These inventories have now been increasingly reduced again. Thanks to the strong cash flow, Tecan's net liquidity position (cash and cash equivalents plus short-term time deposits less bank liabilities, loans and the outstanding bond) increased to CHF 112.6 million (December 31, 2022: CHF 41.2 million).

Details on the course of business of the Life Sciences Business and Partnering Business segments and regarding the regional development of sales are discussed in the Chief Financial Officer's Report on page 34.

OPERATING HIGHLIGHTS 2023

Tecan accomplished a number of successful new product launches in 2023. A standout example is the Phase Separator™, an innovative new pipetting capability available on the Fluent® Automation Workstation that represents a significant advance in liquid-separation technology. This unique module has advanced sensor handling to detect the interface between plasma and erythrocytes, which is a demand of workflows like cell free DNA sequencing used in Liquid Biopsy and is also applicable in fields such as separating the organic solvent phase in sample preparation for mass spectrometry workflows.

Further launches included the Uno Single-Cell Dispenser. The Uno is a valuable tool for isolating single cells, enabling researchers to delve into the biology of individual cells, helping to understand their specialist functions, what triggers disease, and which treatments might restore them to health. MCA 96, a pipetting arm with 96 channels for the Fluent liquid handler, was launched together with an easy-to-use software, and was met with high demand across all key applications of genomics, proteomics and cellomics.

[2] The calculation of 2023 adjusted net profit and adjusted earnings per share excludes acquisition- and integration-related costs (+CHF 17.7 million), one-time pension plan effects (-CHF 4.4 million) as well as the accumulated amortization of acquired intangible assets (+CHF 19.5 million) and they were calculated with the reported Group tax rate of 1.3%.

With the launch of new products in the Resolvex line, Tecan added unique solutions to its broad automation portfolio to address unmet workflow needs for proteomics and bioanalytical processes, nucleic acid purification and food safety workflows.

Among the various partnerships entered into in 2023, Tecan and Oxford Nanopore build an alliance to create automated, seamless and fully compatible nanopore sequencing library preparation for any-length fragments of native DNA/RNA. As well as concluding several new partnerships, Tecan supported various customers with product launches and the start of commercial supplies in all business areas of the Partnering Business. This includes customized OEM systems, OEM components as well as contract development and manufacturing services. The project pipeline for new development and manufacturing projects remains rich and the broad OEM offering with strong synergies between the individual projects and solution offerings is well received.

In 2023, Tecan continued to scale its global production and operational footprint. The series production of Cavro components has been successfully transferred from San Jose, California, and is now established in Tecan's facilities in Morgan Hill, California, and Penang, Malaysia. Additionally in 2023, as a step in executing the strategy to serve local customers in China even better and meet their specific needs, Tecan opened a new assembly facility in the Shanghai Free-Trade Zone (SFTZ), where liquid handling and detection products can now also be locally manufactured to advance Tecan's business in China.

SUSTAINABILITY REPORT 2023

Tecan's commitment to sound management of its social and environmental impacts was evidenced further in 2023, with an outstanding participation rate of 92% in Tecan's first fully global employee survey, and the achievement of Great Place to Work™ certification in Germany and the U.S., to add to re-certification in Switzerland.

Tecan submitted greenhouse gas emissions reduction targets to the Science Based Targets initiative in 2023, and received validation of these and confirmation that the planned emissions reduction plans are credible. Tecan has set an absolute emissions reduction target and commits to reach net-zero greenhouse gas emissions across the value chain (scopes 1, 2 and 3) by 2050. The related targets are set out in the 2023 Sustainability Report and include a commitment to purchase 100% renewable electricity by 2025. The 2023 Sustainability Report was published as part of the Annual Report 2023 on March 12, 2024 and can be found starting on page 34.

PROPOSAL TO THE ANNUAL GENERAL MEETING TO INCREASE DIVIDEND

Based on the solid underlying sales growth and an increase in profitability, net profit and cash flows for the full year 2023 and on the basis of an ongoing positive business outlook, the Board of Directors will propose at the Company's Annual General Meeting on April 18, 2024, an increase in the dividend from CHF 2.90 to CHF 3.00 per share. Half of the dividend, i.e., CHF 1.50, will be paid out from the available capital contribution reserve and is therefore not subject to withholding tax.

OUTLOOK

Tecan initiated its short-term outlook and guidance for the full year 2024 and expects reported sales to increase in the low single-digit percentage range in local currencies. As the previous disruptions in the supply chain have normalized, we do not assume any further sales from the pass-through of material costs in this outlook (CHF 8.1 million in 2023).

Tecan expects an adjusted EBITDA margin excluding acquisition- and integration-related costs of at least around 20% of sales, including an assumed negative effect from foreign exchange rates of around 40 basis points.

The outlook 2024 does not take account of potential acquisitions during the course of the year.

The expectations regarding profitability are based on an average exchange rate forecast for full year 2024 of one euro equaling CHF 0.95 and one US dollar equaling CHF 0.85.

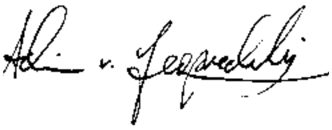
Tecan also reiterated its mid-term outlook, in which the company expects to continue to outperform the average growth rate of the underlying end markets and thus to return to average organic growth rates in the mid to high single-digit percentage range in local currencies, while continuously improving profitability.

EXPRESSION OF THANKS

On behalf of the Board of Directors and the Management Board, we would like to thank Tecan teams around the world for their dedicated effort and engagement, demonstrating Tecan's values and bringing our corporate purpose to life. We would also like to express our deep appreciation of the trust placed in us by our customers and shareholders and the valued support they continue to provide.

Männedorf, March 7, 2024

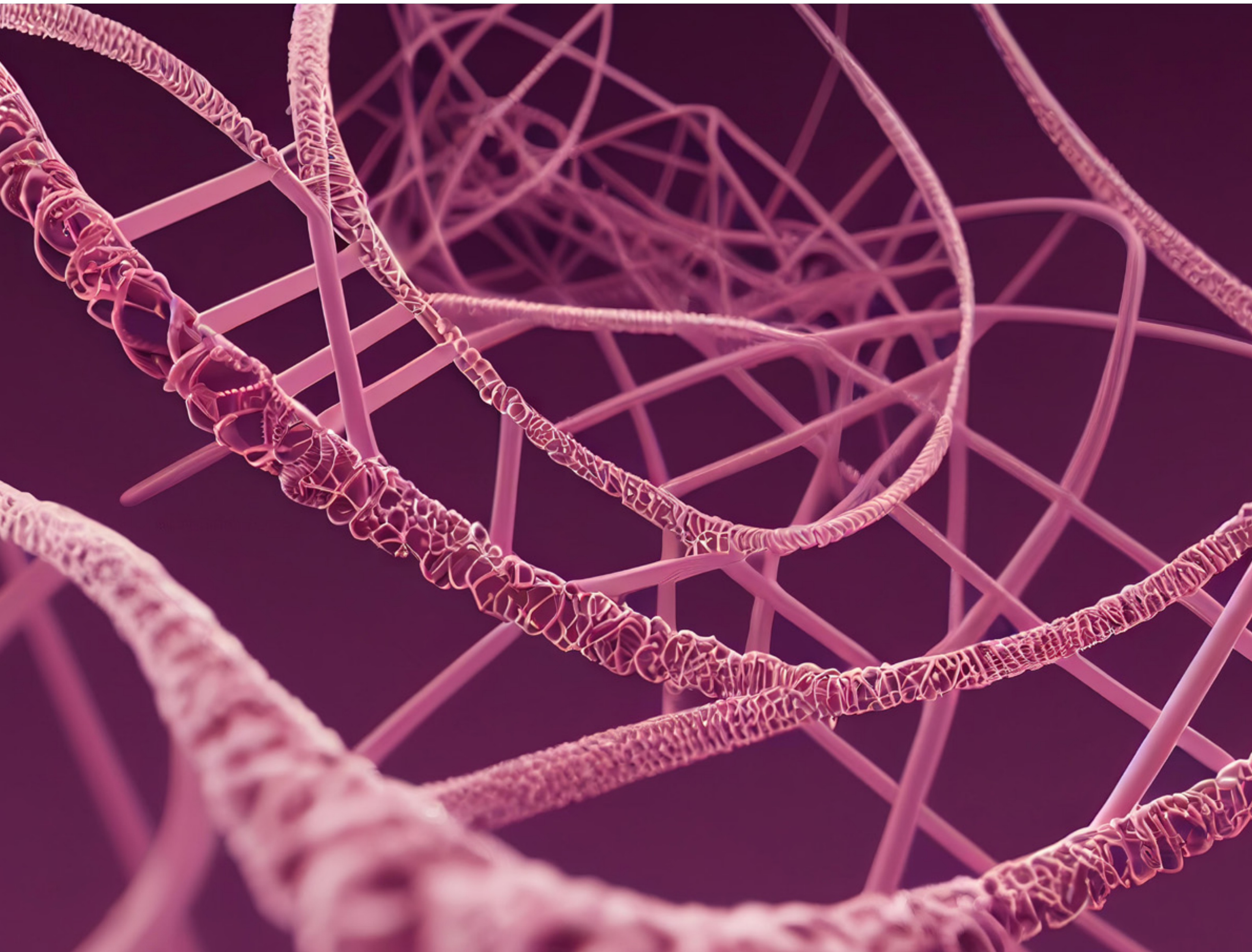
Dr. Lukas Braunschweiler
Chairman of the Board



Dr. Achim von Leoprechting
Chief Executive Officer

MARKETS AND STRATEGY

Tecan is a pioneer and market leader in laboratory automation and a healthcare enabler. The company is improving people's lives and health by empowering customers to scale healthcare innovation globally. Tecan enables customers to scale their innovation, whether in laboratory workflows for life science research, various applied markets and diagnostics or in product development and manufacturing for the medical market. Tecan delivers this broad range of healthcare products and services, directly to end users or with OEM partners.



BUSINESS SEGMENTS & MARKETS

We live in the century of biology, where an explosion of scientific knowledge is revolutionizing the possibilities for healthcare. New diagnostic tests and medical treatments, including precision and preventative medicine, are being developed to combat cancer, rare and hereditary diseases, metabolic and neurodegenerative disorders, and other significant health challenges.

At the same time, the modern world is facing multiple challenges. A growing and rapidly aging population, and an increasing prevalence of complex disease like cancer, not to mention the persistence of infectious disease. A shortage of skilled labor compounds the pressure on already strained healthcare systems, which further limits the accessibility of healthcare innovations to the broad, global population.

With our expertise, Tecan has the opportunity to accelerate the evolution of research applications and to scale healthcare innovation for the broader, global population.

Tecan empowers customers in academia, biotech and pharma, clinical diagnostics and the medical market, enabling them to understand the biology of diseases and translate research insights into compliant, scalable solutions that improve people's lives and health.

TECAN'S PURPOSE: IMPROVING THE LIVES AND HEALTH OF PEOPLE

We are driven to improve people's lives and health. We do this by empowering our customers to scale healthcare innovation globally.

From research... to the clinic.

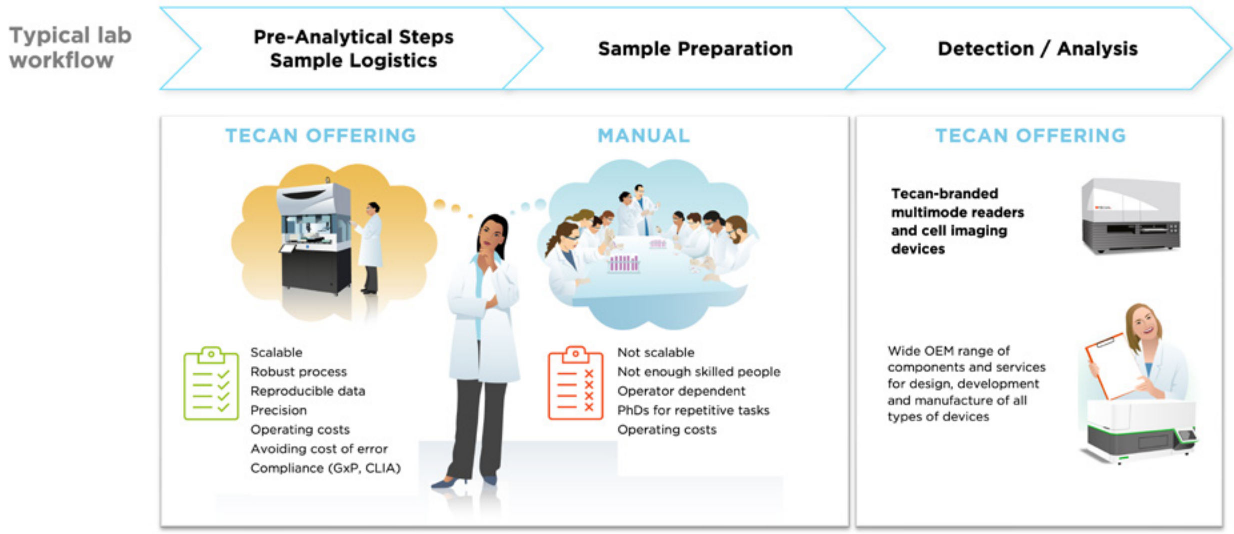
For laboratories, Tecan's solutions automate all types of repetitive work steps and make procedures more precise, more efficient and safer. These steps include many pre-analytical steps and sample logistics, as well as the various sample preparation steps in numerous application areas.

They pipette the smallest volumes of different fluids with optimum precision, for example. By automating these work steps, laboratories can significantly scale up the volume of samples they process, obtain test results sooner and ensure reproducible output. It is only through automation that complex biological work processes become robust and human error sources are eliminated. The instruments can also perform necessary work overnight without supervision, allowing laboratory personnel to evaluate the results or continue with the next steps upon returning the following morning. Tecan also offers a wide range of own detection devices. This includes analytical devices such as microplate readers, which analyze reactions on a microtiter plate. For selected applications, Tecan also increasingly offers integrated total solutions, including appropriate reagents and functional consumables.

Through the Partnering Business, Tecan helps the world's largest in-vitro diagnostics and medical device companies to develop and bring to market progressive healthcare solutions that can revolutionize the diagnosis and treatment of critical diseases. These solutions include automated "sample-to-result" clinical diagnostic systems, point-of-care instruments, wearable technologies and medical devices. Partners bring these solutions to market under their own brand names. Tecan also works with life science companies developing and manufacturing high-precision instrumentation, including a range of products for genomics, proteomics and cell-analysis.

SCALING LABORATORY WORKFLOWS

Significant advantages in productivity, robustness and reproducibility of processes



As scientific discoveries accelerate, scientists and healthcare professionals struggle to scale manually performed experiments while ensuring reproducibility and robustness of data. This bottleneck limits their ability to generate breakthrough insights that could be translated into practical clinical applications.

UNIQUE POSITION WITH TWO STRONG PILLARS

The Company serves some customers directly, but is also a leader in developing and manufacturing OEM instruments, components and modules that are distributed by partner companies. These are for example diagnostics companies that market the products under their own names as total solutions together with the relevant test kits.

These two segments, the Life Sciences Business (end-customer business) and Partnering Business (OEM business) complement each other and achieve a position that is unique in such depth on the market. Tecan can offer the complete spectrum for different customer groups, from benchtop devices for basic research to sample-to-result solutions for in-vitro diagnostics companies to modules and systems for surgical robotics and personal testing devices for medical technology companies. This puts Tecan in a unique position to combine insights from basic research with the requirements for solutions for routine clinical use.

The life science research area is highly innovative and is where most new technologies are developed and initially employed as a matter of routine. Traditionally Tecan has a strong position in life science research thanks to its own end-customer business, covering a broad range of applications with modular and configurable instrument platforms.

Many of these technologies here also have great potential for diagnostic application. In the last few years, for example, next-generation sequencing has proved to be of great benefit, such as in identifying inheritable diseases, in cancer diagnostics or in non-invasive prenatal diagnostics.

New types of tests are normally carried out after an initial transition to diagnostic application, at first in large or special laboratories. As demand rises and the processing of many samples is centralized in a small number of locations, automation solutions are mostly required to scale up throughput. As in life science research, most individual work steps of a workflow are separately optimized and carried out in succession. As lab developed tests, the test procedures are internally developed and validated by the laboratories in this regulated market segment. The application is scaled and industrialized. Tecan has already gained significant experience in new types of technologies and can now make this available to clinical testing laboratories. Through its Life Science Business, Tecan often has application-specific platforms that are approved for use in the regulated area. For example, the Fluent Gx platform variant has been successfully registered as a Class I medical device in the US. Its specific functionalities facilitate greater process security, traceability of samples and stricter user management.

For further transition to routine clinical application, as a technology becomes increasingly mature, demand from decentralized clinical laboratories for the new types of test procedures also rises, such as in hospitals. These laboratories typically have other requirements for a total solution: The tests should be developed by a diagnostics company as ready-made reagent kits and the licensing authorities should have granted market authorization. Furthermore, the dedicated automation platform designed for a specific functionality should be very easy to use and all work steps necessary for carrying out the test are ideally covered in one instrument (sample in, result out).

For companies in the in-vitro diagnostics sector, Tecan is a preferred partner for these automation systems through the Partnering Business. For example, Fluent Gx can be adapted for a partner company's specific test and workflow. A diagnostics company can benefit from Tecan's expertise and platform availability, leading to cost-efficient development and quicker market entry. Based on this strategic orientation, collaboration with different partners enables Tecan in turn to benefit from the growth potential in a range of different types of technologies and tests for numerous therapeutic areas and other special parameters.

Despite different requirements, the fundamental technologies are very similar for the automation of work steps compared to previous solutions. By choosing to partner with Tecan as OEM customers, diagnostics companies get access to all the Company's previously developed technologies and platforms, all modules and software solutions as well as its expertise in system integration and regulatory and quality-related processes.

At the moment, different technologies are in a transition phase towards increased deployment in in-vitro diagnostics, such as next-generation sequencing (NGS), mass spectrometry or the use of liquid biopsies, such as for cancer diagnostics.

TECAN'S UNIQUE POSITION TO SCALE SEEMLESSLY FROM RESEARCH TO THE CLINIC

Solutions are leveraging common hard- and software platforms

Example: DreamPrep NGS Compact

Example: Fluent Gx

Example: Concept of a sample-to-answer solution

LIFE SCIENCE RESEARCH
- Scaling key workflows in genomics, proteomics and cell & tissue analysis

LAB DEVELOPED TESTS (LDT)
- Scaling workflows to an industrial level with large fleets of automation platforms

IN VITRO DIAGNOSTICS
- Scaling clinical workflows for clinical labs or hospitals through global IVD companies
- Partners are legal manufacturers for system solutions, including instrument and reagents

Life Sciences Business

Partnering Business

MARKET DEVELOPMENT AND STRUCTURE AS THE BASIS FOR CORPORATE STRATEGY

Traditionally, Tecan's two main markets were life science research and diagnostics. The acquisition of Paramit in 2021 further extended Tecan's position in solutions for life sciences and in-vitro diagnostics (IVD). It also added a new business vertical in the attractive and fast-growing market for medical devices. The structure of these end markets plus the focus on the core applications of genomics, protein analysis and cell analysis form the basis of the corporate strategy. It follows three vectors to ensure sustainable profitable growth. The Paramit acquisition added a vector 4 and 5.

Research and development as well as the Operations division are organized across the Group in order to better leverage synergies through various locations.

LIFE SCIENCE RESEARCH

The addressable market for Tecan in life science research is valued at USD 4-5 billion and is growing at an annual rate of 3% to 5%. Some two-thirds of sales come from instruments and about a third from reagents. Tecan's modular automation platforms, reagents, consumables and digitalization solutions enable experimentation at scale, supporting academic research, pharma and biotech. These products and services make laboratory workflows robust, reproducible and precise.

1 Laboratory automation, a field in which Tecan is active in mainly with the Life Sciences Business, is an important market segment within life science research. Slightly over half of the Life Sciences Business segment revenues are generated in life science research. Looking at the product groups, the Liquid Handling & Robotics category generates over USD 1.6 billion of the total revenue in this market segment with the initial systems.

It also represents the largest product area for instruments at Tecan. Through the Partnering Business, Tecan also supplies other vendors in this market with off-the-shelf or custom components and platforms for life science instruments.

The market for Tecan-branded detection instruments, another sub-segment of lab automation, accounts for about USD 0.6 billion.

SCALING LIFE SCIENCE RESEARCH INNOVATION

Leading provider of lab automation and OEM solutions for key applications

2 Tecan is also aiming to build up further pillars in the instrument market for life science research. For its Life Sciences Business, this applies in particular to areas beyond conventional, open and flexible robotics solutions for liquid handling and microplate readers. There are plenty of opportunities here, especially in dedicated instruments for sample preparation, e.g. the sample processing for mass spectrometry. This growth pillar also includes the newly introduced innovative entry level solutions for next-generation sequencing (NGS) library preparation, MagicPrep NGS. MagicPrep NGS is an automated benchtop library preparation system that transforms time-consuming and error-prone procedures into a simple, robust experience with a setup time of only 10 minutes.

3 In addition, Tecan participates in the aftermarket of the laboratory automation segment with consumables, service and spare parts. The market for consumables like pipette tips and other related products accounts for over USD 1 billion in addition to the initial systems. The service share is worth another USD 1.3 billion.

Tecan has also expanded its offering of dedicated reagents. For example, the company provides innovative genomic sample preparation for NGS and microarrays for a broad range of sample types including RNA and DNA from whole tissues, preserved and prepared tissue samples, single cells and liquid biopsies such as from blood samples.

4 Tecan also added new capabilities in its Partnering Business to further strengthen the customer offering for life sciences research through contract development and manufacturing – illustrated by vector 4. Engineering as well as cost-competitive manufacturing capabilities open up new opportunities for a whole variety of benchtop size life science research instruments. These could be systems for genome mapping and sequencing, molecular antibody characterization, multiplex biomarker detection, single cell imaging, multiplex gene expression analysis and many more areas. In total, about 20% of the Partnering Business segment revenues are generated in life science research.

IN-VITRO DIAGNOSTICS

The total addressable market for Tecan in in-vitro diagnostics is valued at around USD 4 billion and is comparable to the life science research market in terms of the average annual growth rate. Tecan supports clinical diagnostics labs doing translational research to convert scientific discoveries into validated lab-developed diagnostic tests (LDT). The company's expertise in the development of reagents, automation and software enhances the efficiency, accuracy and traceability of their procedures, while its knowledge of quality and regulatory affairs ensures compliance, easing the transition of applications from research to the clinical environment. Tecan empowers these customers with both Tecan-branded and OEM solutions.

The market structure in general is dominated by the share of sales generated by diagnostics companies through the sale of reagents and consumables. These recurring sales make up about 80% of the market volume, while the remaining 20% of sales are generated with instruments.

1 The instruments in the in-vitro diagnostics market are only partly developed and produced by the diagnostics companies themselves, with an increasing share being outsourced to specialists such as Tecan. In this sub-sector of the market segment, which has a value of about USD 3.5 billion, Tecan supplies diagnostics companies with automation solutions through its Partnering Business segment. Customers then market these instruments under their own names, combined with their own reagents as a total solution, such as hospitals, major diagnostics laboratories and blood banks. Tecan also provides components, product and system development, as well as design and manufacturing services to accelerate time-to-market for breakthrough innovations that enable new sample-to-answer workflows. Diagnostics is the largest end market for the Partnering Business, accounting for a bit below 50% of segment sales.

In its Life Sciences Business segment, Tecan sells open automation platforms, mainly to major diagnostics and genetic testing laboratories. Overall, slightly less than half of sales in the Life Sciences Business are generated in regulated markets such as clinical diagnostics.

For example, the Fluent Gx platform variant was developed for the automation of laboratory workflows in regulated markets. Here Fluent can be used for applications such as high throughput nucleic acid purification, quantification and normalization or as a scalable solution for PCR amplification. In the US, it is registered as a Class I medical device.

Tecan also offers detection devices that are used for absorbance-, fluorescence- and luminescence-based clinical immuno-assays.

4 Tecan expanded the total addressable market for diagnostic instruments with capabilities around smaller near-patient or point-of-care testing devices. These are for example systems for performance capillary electrophoresis (HPCE), flowthrough hybridization, molecular diagnostics and digital pathology.

3 Also in this market, Tecan participates in the aftermarket with reagents for specialty diagnostics, functional consumables for mass spectrometry, and again consumables like pipette tips. As in-vitro diagnostics is a highly regulated market, the consumables become part of the overall validated solution.

ELISA technology is such an example of a popular application, which is used to determine specialty diagnostic parameters, such as evidence of rare infectious diseases or to verify certain hormone levels. In this specialty diagnostics area, Tecan is offering a portfolio of test kits as well as dedicated automation platforms.

SCALING DIAGNOSTIC WORKFLOWS

Leading provider from components, point-of-care to fully integrated clinical analyzers

MEDICAL DEVICES (MEDICAL MECHATRONICS)

The addressable market of medical mechatronics products represents a significant opportunity of between USD 13-15 billion, thereby more than doubling Tecan's original total addressable market through the acquisition of Paramit in 2021. Tecan provides contract design, development and manufacturing services for a broad set of medical devices. Similar to diagnostics, Tecan also helps OEM customers in MedTech overcome specific challenges, and can even take on entire projects, from design through to manufacturing. There are numerous similarities and synergies among life science research, clinical practice, and the medical field. Medical mechatronics is an adjacent market that intersects with life science and diagnostic technologies, offering potential for synergies and manufacturing efficiencies.

Approximately one third of sales in the Partnering Business segment are now generated in the medical mechatronics end market.

5 With new capabilities and a broad customer portfolio, Tecan has opened up a completely new business and growth area with the medical market. The targeted medical mechatronics sub-segment is part of the broader medical device market and consists of instruments and mechanical and robotic modules that are controlled by custom electronics.

The product portfolio includes components, modules and systems, based on robotic, microfluidics, optical, laser and radio frequency technologies for key applications, leveraging technical and regulatory core competences that are very similar to Tecan's. Products include sub-modules for robotic surgery systems, energy based devices and platforms, cardiovascular controllers, portable defibrillators, home hemodialysis systems, patient monitoring and telemedicine devices, products that range from handheld devices to larger cart-based systems.

In research and development, the team is also very conversant with the ways energy can be delivered to human tissue, and its effects on the body, for example to reduce scar tissue or applying it in a variety of different surgical applications.

SCALING MEDICAL INNOVATION TROUGH PARTNERSHIPS

Leveraging same or similar technical, manufacturing and regulatory competences

SPECIAL FOCUS ON THREE APPLICATION AREAS

Tecan covers a large number of different application areas thanks to its two segments of Life Sciences Business and Partnering Business. Special focus is placed on four applications to achieve continued growth that outstrips the market average. Particularly strong growth drivers form the basis of them:

1. Genomics
2. Protein analysis, particularly workflows of mass spectrometry
3. Cell and tissue analysis
4. Medical mechatronics

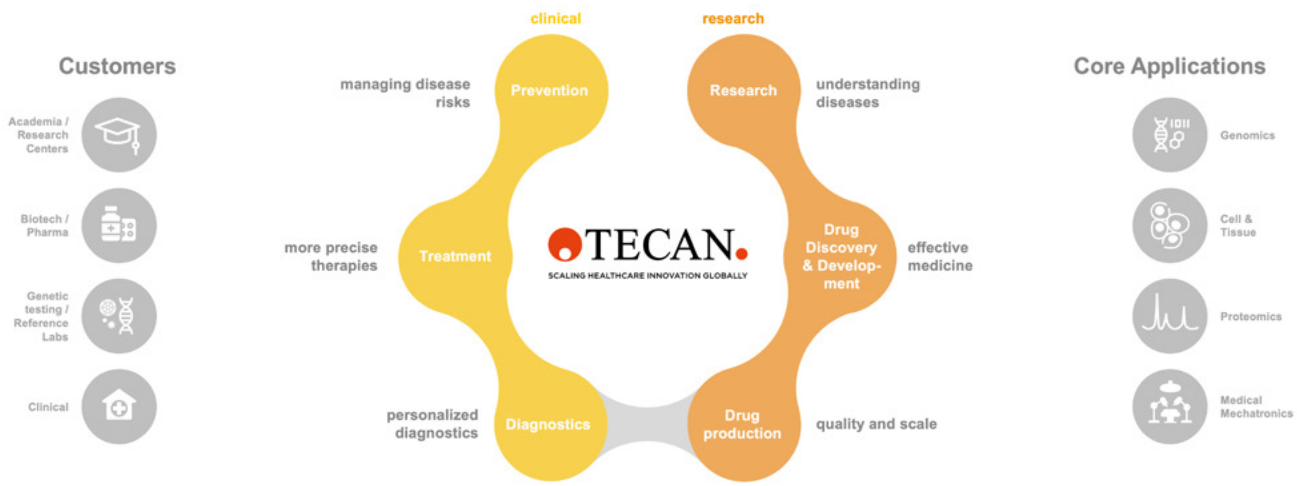
The first three applications are generally used in across life science research as well as in in-vitro diagnostics. As screenings of genomic, proteomic, cellular and tissue assays have grown in sensitivity, breadth and sophistication, so have Tecan's underlying technology portfolio and product lines. A rationale driving researchers and clinical partners towards Tecan is its overarching integration of modular hardware and software building blocks across a variety of end applications. The company has pioneered the development and deployment of sophisticated architectures and libraries that can be configured rapidly and optimized for specific use cases.

Medical mechatronics is an adjacent market that intersects with life science and diagnostic technologies and products share many commonalities from a high content of robotic technologies and custom electronics to the regulated nature of the end market.

The modular hardware and software building blocks, product commonalities as well as the company's regulatory and operational expertise allows Tecan to help customers translate research insights into compliant clinical solutions and at the same time serve a diverse set of customers in a variety of end applications. This position puts Tecan in the center of dynamic healthcare ecosystems.

WE EMPOWER CUSTOMERS, FROM RESEARCH TO THE CLINIC

Tecan in the center of dynamic healthcare ecosystems



GENOMICS

Genomics is the systematic analysis of the genome, e.g. a cell, tissue, organ or complete organism. A genome is the complete DNA sequence of an organism, including all its genes. Genomics is a fundamental application in life science research and is increasingly used in diagnostics.

Since 2020, polymerase chain reaction (PCR) became one of the most powerful weapons in the fight against the coronavirus pandemic. It provides a fast, specific and very sensitive way to detect invading pathogens, even when they are present in extremely low numbers.

Even before COVID-19, the whole genomics market has grown to more than USD 20 billion. Some of the subsegments are developing here at an average single-digit rate, others such as next-generation sequencing (NGS) even at a double-digit rate.

NGS workflows are composed of multiple complex steps, most of which need to be performed prior to loading samples in the actual sequencer. The crucial step prior to sequencing is library preparation, which is a particularly attractive market segment and a focus of Tecan's area of work. There are also growing needs in handling small volume samples and preparing libraries, especially when derived from challenging clinical samples. But even with other work steps of the various genomics workflows, starting with the basic step of DNA extraction, Tecan is well positioned.

Also, genomic needs in precision and personalized medicine, companion diagnostics, fast and sensitive multiplexed assays are a big growth driver. Increasingly, NGS for example is used for liquid biopsies to detect minimal residual disease in patients, monitor cancer recurrence, or their response to a specific treatment, simply by checking for tumor DNA (cfDNA) in the patients' blood.

PROTEIN ANALYSIS

All proteins in an organism, tissue or cell are called proteomes. Unlike with the genome, the composition of a proteome changes all the time. These changes are crucially affected by the environment and diseases, but also by drugs, for example. In order to research and analyze proteins, a range of techniques is available, notably mass spectrometry. The innovations that yield insights into the human proteome are still at an earlier stage but they are following in the footsteps of genomics.

The market for all areas of mass spectrometry is worth around USD 5 billion. The sub-segment of sample preparation, which is particularly attractive for Tecan, has grown at an average rate in the high single-digit range to some USD 0.7 billion. The key growth driver here is the increasing number of biopharmaceuticals, a class of compounds produced using biotechnology resources and genetically modified organisms. Analyses based on mass spectrometry are also increasingly applied in in-vitro diagnostics in addition to their traditional use in life science research. For example, Tecan is enabling to prepare MALDI slides with high precision and sensitivity in an innovative approach to diagnose multiple myeloma at an earlier point in the disease.

A focus of Tecan's work area is on sample preparation for mass spectrometry. The ability to extract insights from mass spectrometry rests on the ability to purify samples, separating them from background noise. Tecan is also well positioned for other analysis methods, such as immunoassays or other common work steps, such as protein purification.

In more and more cases it is becoming increasingly important to combine genomic test information with other profiling assays, such as protein expression in integrated solutions.

CELL AND TISSUE ANALYSIS

Cells are independent biological functional units and the starting point for many studies. Biological processes can be understood and clarified at cellular level thanks to cell analysis. Researchers offer trials a more realistic model with cells or groups of cells for transferring findings on organisms. For example, cell assays are increasingly used to develop new drugs.

The size of the overall cell analysis market, i.e. the various areas of cell biology and imaging, is estimated to be around USD 10 billion. Here market growth is in the mid-single digit percent range.

In cell analysis, Tecan offers innovative detection and imaging solutions, but also a broad portfolio of automation solutions for different work steps. Cell lines and primary cells are widely used for the production of cell-derived biomolecules, as well as for cell-based assays. For example, Tecan provides sophisticated, modular automation solutions from 2D and 3D cell cultures with cloning, transfection and colony picking to the point of cell-based assays and cellular analysis. In 2023, Tecan launched the Uno Single Cell Dispenser™, a compact, automated benchtop instrument that delivers single cell isolation and reagent dispensing in one system.

Through its Partnering Business, Tecan also supplies leading diagnostics companies in the areas of tissue analysis for cancer diagnostics, flow cytometry and other applications.

MEDICAL DEVICES (MEDICAL MECHATRONICS)

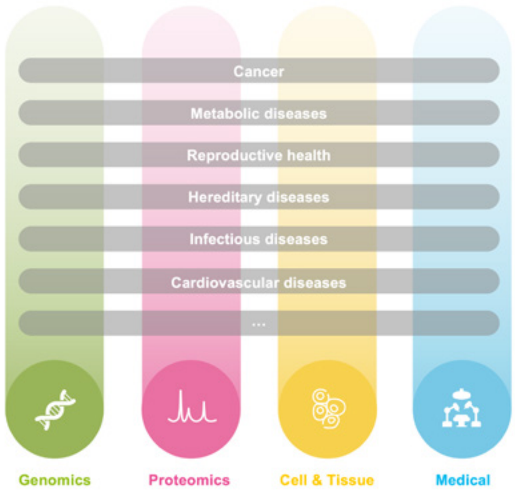
For a description of the addressable market of medical mechatronics products, please refer to the information in the previous section.

TECAN BENEFITTING FROM VARIOUS MEGATRENDS

Megatrends are long-term transformation processes that depict far-reaching social and technological changes. The markets in which Tecan is active are positively influenced by a number of megatrends. They also result in increased sample volume and a significant rise in diagnostic tests as well as surgical procedures and other medical interventions that are carried out. This requires higher levels of productivity. The tests and procedures must be reproducible and accurate, the processes standardized and robust. Strict regulatory standards must also be complied with. Tecan

KEY APPLICATIONS DRIVE RESEARCH AND CLINICAL SOLUTIONS

We're speeding discovery and increasing clinical impact



Research breakthroughs bring new opportunities to diagnose and fight disease

Laboratory automation in life sciences, pharma and in-vitro diagnostics as well as innovative medical procedures empowered with:

- Scalability and productivity
- Reproducibility and standardization
- Precision
- Robustness at scale
- Regulatory compliance

has systematically focused its corporate strategy on these markets and requirements and can therefore obtain significant benefits from these transformation processes.

The 21st century has often been described as a century of biological discovery and development – the century of biology. It is estimated that, every six months, the world's laboratories generate more biological data than has ever been created in human history and an explosion of scientific knowledge is revolutionizing the possibilities for healthcare. Our deepening understanding of the human genome and cell biology is reshaping our approach to complex diseases, such as cancer, cardiovascular issues, infectious diseases and rare genetic disorders. All four key applications that Tecan is focusing on cover a range of diseases and disorders. Tecan's products broadly help customers discover and develop new diagnostic and therapeutic solutions, optimize costs and shorten time to regulatory approval, benefiting more patients worldwide.

For example, with the COVID-19 pandemic, the scientific community reacted fast. Researchers were able to decode its RNA sequence and identify the structures and made them available globally. Labs were able to develop rapid diagnostic tests and – crucially – pharmaceutical and biotechnology companies were able to develop vaccines within 10 months.

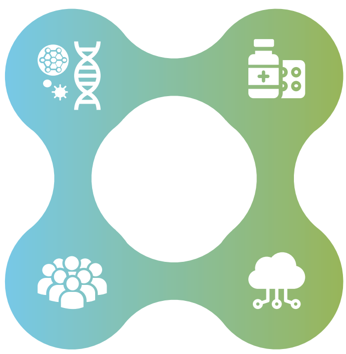
Also in other areas, for example in oncology, new anticancer drugs have been approved in the last few years with entirely novel mechanisms of action for treatment, such as the first products based on gene therapy approaches.

THE CENTURY OF BIOLOGY CONTINUES

Global megatrends fuel our strategy

An explosion of biological knowledge
Breakthroughs bring novel treatments and a new focus on prevention

Growth of innovative treatments
Targeted drugs, innovative procedures, personalized medicine and near-patient testing



Growing and aging populations
Demand for scalable and affordable healthcare solutions; shortage of skilled labor

Digital solutions, including AI
New approaches for prevention, diagnosis, treatment and monitoring

Rising investment... in healthcare, diagnostics and prevention

Megatrends	Positive effects on Tecan
Population growth and the aging population	**Many diseases,** such as cancer and cardiovascular diseases, are more prevalent in old age. Around the world, significant sums are being invested in the development of innovative drugs, medical devices and surgical procedures to improve treatments. Numerous novel drugs were approved in recent years, many of which are based on previously unused modes of action. The total volume of diagnostic tests that enable diseases to be identified is increasing and more tests are being carried out per person. **Increased demand for innovative medical devices:** These same underlying trends also increase the demand for medical devices such as cardiovascular controllers, home hemodialysis systems, patient monitoring and telemedicine devices or for surgical robots that make surgeries more effective and less invasive. **Shortage of skilled labor:** At the same time, the baby boomer generation that is retiring cannot be replaced, leading to a shortage of skilled workers and thus increasing the demand for automation. **As many diseases are being treated with increasing success,** people live longer, which increases the demand for automated solutions for diagnostic testing and medical devices, e.g. for patient monitoring.
High levels of investment in healthcare for better prevention, diagnosis and treatments, also in emerging markets	Overall, there is a **significant investment in health** care, with a focus on prevention and treatment monitoring in addition to immediate or acute diagnostics. **Growing levels of prosperity** also mean that the demand in the area of healthcare is rising continuously. China, for instance, is now one of the world's largest healthcare markets, although its spending per capita is still significantly below that of many western industrialized countries.
Development of targeted pharmaceuticals and innovative surgical procedures	**The growing use of personalized medicine** means that the biomolecular constitutions of individual patients are increasingly taken into account, allowing targeted drugs to be deployed. Tecan supports research into characteristic biological features (biomarkers) and the development of new molecules with automation solutions. Tecan solutions are also being used in companion diagnostics. Tecan also participates in medical market segments like robotic surgery and cardiovascular controllers.
An explosion of knowledge in the field of biological correlations and molecular processes – using these findings in applied markets	**Life science research** is coming up with new findings at an ever quicker pace. These are being increasingly used not only in drug development and human diagnostics, but also in numerous applied markets. **Some examples:** In forensics, criminals are being convicted based on DNA profiling. The same techniques and procedures used in human diagnostics are being employed in diagnostics for farm animals. In the food industry, special products are being developed that counteract disorders of the intestinal flora. In these laboratories too, state-of-the-art automation solutions from Tecan improve efficiency.
Digitalization of processes and increased regulatory complexity	The growing demand for automation is supported by an **increasing digitalization** of the laboratory and clinical environments, enabling new approaches for prevention, diagnosis, treatment and monitoring. Tecan is a key innovator in digital solutions, both in terms of user interface and laboratory connectivity. The **ever increasing regulatory complexity** in clinical and medical markets requires more assistance with quality systems management or process validation, regulatory advice or enterprise risk management – an area Tecan is recognized as a global leader in quality and regulatory affairs.

CORE COMPETENCES AND COMMONALITIES

Tecan's success is based on core competences that the Company has systematically acquired and expanded over the years. Tecan's core competence was built around the automation of complex processes in life science research laboratories and in the strictly regulated diagnostics market. This overall competence is made possible by core competences in system integration as well as in individual aspects of an application's typical processes. In robotics, Tecan is the market leader in the automation of very diverse repetitive work steps that have to be conducted in laboratories. Its core competences cover both instruments and the software packages needed for their operation as well as cloud-based software solutions that enable the connectivity of instruments, for example. Tecan offers a wide-ranging portfolio of different modules to automate applications and work processes, such as examining DNA or cells.

Tecan expanded its capabilities and competences through the acquisition of Paramit in 2021. Paramit is an expert at manufacturing complex electromechanical systems for the medical and life sciences industries. The company combines custom microfluidics, electronics, optics and motion control to help its clients create a range of products, from handheld or point-of-care devices to benchtop instruments and cart-based systems. The acquisition also brought significant engineering as well as cost-competitive manufacturing capabilities, both in North America and in the APAC region.

Paramit's patented, computer-directed assembly technology, vPoke®, resolves complex mechanical assembly into tightly controlled assembly steps for medical device and life science instruments. The process generates a rich device history record, providing component traceability, while reducing the potential for errors ("zero-defect manufacturing").

There are many commonalities for the various key applications and product use cases of the combined product and service portfolio that cover a variety of healthcare uses, such as cancer, infectious diseases, metabolic diseases and many more. The product and service offering allows scalability of processes and workflows as well as the scaling of the manufacturing itself, it increases reproducibility and standardization of processes and procedures, delivers precision and robustness. As the majority of customers are working in a regulated environment like diagnostics or medical devices, regulatory compliance is a must in these areas.

Tecan has particular technical expertise in liquid handling and specific detection technologies. Liquid handling involves the high-precision handling of fluids, even in the smallest quantities. This process includes the aspiration and dispensing of liquids with differing physical and chemical properties, such as reagents and blood (both whole blood and serum). The quantities of fluid involved can typically range from milliliters to microliters. Some applications require the handling of even smaller quantities, for which Tecan can also provide technologies. Tecan also has the necessary sensor technology to monitor processes, for example, to ascertain whether a liquid transfer has actually taken place. Another example is a newly launched product, Phase Separator™, an innovative liquid separation technology that promises to save time and improve accuracy in laboratory workflows. With specific applications in liquid biopsy and biobanking, it addresses the critical challenge of detecting liquid–liquid interfaces and effectively separating neighboring phases, while avoiding the risk of contamination making it ideal for separating plasma in centrifuged blood samples. One of the Company's particular competences is the ability to make these often highly complex processes easy to perform through user-friendly software with an intuitive user interface.

To enable the entire workflow to be automated, Tecan also integrates third-party devices. Customers benefit from the enormous application know-how of Tecan specialists, even in strictly regulated areas such as clinical diagnostics.

In the area of detection, Tecan specializes in analytical devices that use a variety of optical methods to detect reactions in a test procedure, such as the binding of an antibody to a target molecule. This can take place, for example, with fluorescence, luminescence, absorption methods or through imaging technologies. Tecan also uses patented technologies here to lower the detection limit or reduce diffused light and thereby increase the sensitivity. Tecan detection instruments are able to process varying wavelengths quickly and flexibly, even in parallel.

Beyond technical expertise, Tecan has significant application know-how in the various disciplines of life science research and clinical diagnostics. One of the Company's unique selling points and core competences is its ability to bridge the gap between research and the strictly regulated diagnostics market for its customers and partner firms. The steady increase in regulatory requirements presents a major challenge, in particular for smaller companies and companies that are traditionally oriented only toward the research market. Tecan can benefit from these growing market barriers, as it has built up these core competences and invested in regulatory compliance for years.

SUSTAINABILITY

At the heart of thinking forward

MESSAGE FROM THE CEO

In 2023, Tecan's sustainability program strengthened through a structured integration into our day-to-day business activities and increased engagement with our employees and business partners. As Tecan's CEO and chair of our Sustainability Committee, I'm pleased to provide this overview of our management of environmental, social and governance topics, our achievements in 2023 and our outlook for 2024 and beyond.

Tecan's corporate purpose is to improve people's lives and health, and we do this by empowering our customers to scale healthcare innovation globally from life science to the clinic. Underpinning Tecan's purpose and embedded into our group strategy is our sustainability promise: Our products add value to society, our business practices do, too. Including sustainability considerations in our business decisions is essential to Tecan's long-term success. In line with our core values of Trust, Highest Standards and Ambition we are determined to continue to play our part in creating a better future. Our Sustainability Committee guides our efforts, and in 2023 facilitated two milestones: the definition and validation of our Science Based Targets (SBTs) for greenhouse gas emissions reduction, and the completion of a new double materiality assessment. Our validated SBTs provide strong direction for future activities and are appreciated by customers, investors, and employees. Our double materiality assessment reaffirmed Tecan's sustainability focus areas and separated out topics that had been grouped together in our 2021 materiality assessment. This key governance step provided an additional opportunity for engagement with our stakeholders as we sought their views on a range of sustainability topics.

The materiality assessment is one example of the well-known trend of sustainability topics evolving over time from being voluntary to mandatory. This trend has accelerated with legislation both recently in force and soon to be in force, changing the legal environment in which we operate and having a ripple effect on businesses that might not be directly in scope of the new laws but must find ways to comply if their customers are. Where possible we support suppliers and other stakeholders in implementing forward-looking sustainability practices, sharing knowledge and best practices through initiatives such as our Responsible Sourcing program, and participation in the UN Global Compact and industry associations such as Swiss MedTech. Many aspects of sustainability benefit from a collaborative approach, and Tecan has been pleased throughout the year to discuss with customers and peers the various ways we can have a positive impact. We look forward to more of these interactions in 2024.

Tecan's sustainability governance framework, strategy and program activities are complemented by strong grassroots initiatives throughout the organization. Employee Resource Groups in the US and a strong culture of team building and community engagement around the world bring about a wide range of positive social impacts, described in this report. Company-wide initiatives such as our recent "Dream Big" innovation drive brought forward a number of sustainability related ideas, showing how top of mind such topics are for so many of our colleagues. Together, Tecan's colleagues have brought about a number of sustainability related achievements, from the environment-related My Green Lab "silver" certification of our laboratory near our Männedorf headquarters, to the employee-driven Great Place to Work™ certification in Switzerland, Germany and the US, and EcoVadis "Silver" certification globally, which reflects assessment of Tecan's entire sustainability program.

For sustainability at Tecan, 2024 will be a year to build on the solid foundation we have in place, continuing the activities that support management of our material topics and as always, communicating transparently. I hope you enjoy reading about our focus areas, goals and achievements, and thank you for past feedback and our ongoing dialogue.

Dr. Achim von Leoprechting
Chief Executive Officer

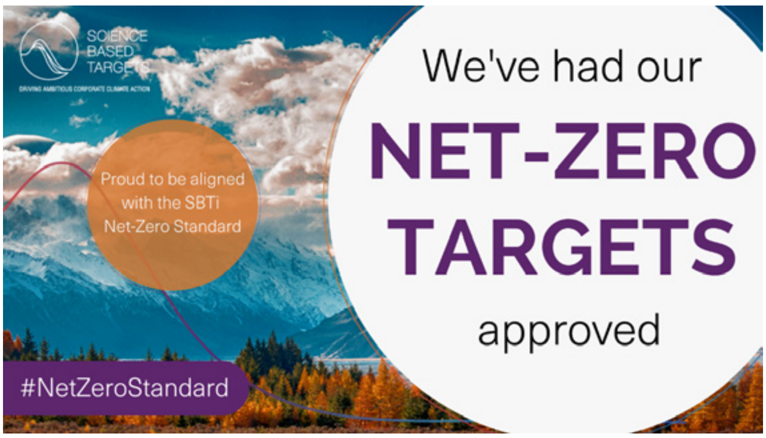
EXECUTIVE SUMMARY

"Sustainability" recognizes that environmental health, social equity and economic vitality are interconnected, and all are critical in ensuring we create thriving, healthy, diverse and resilient communities for this generation and generations to come. To ensure that opportunities to carry out our business activities sustainably are identified and pursued, Tecan has a Sustainability Committee chaired by our CEO and a sustainability strategy that is integrated into the Group strategy. The Audit Committee of the Board of Directors has overall responsibility for the oversight of sustainability topics. Integrating sustainability considerations into business decision-making equips Tecan for long-term success, strengthening the creation of value for our shareholders and other stakeholders and reflecting our core values.

2023 HIGHLIGHTS

Tecan carried out a double materiality assessment in 2023, evaluating both the financial impact of external sustainability factors on Tecan's business performance ('financial materiality') and the social and environmental impacts of Tecan's business on society ('impact materiality'). With extensive input from stakeholders, the assessment confirmed and added to the previous analysis carried out in 2021 and identified a total of eleven topics, each of which is described in this report. Each material topic has related actions to ensure effective management of the risks and opportunities it presents. Some material topics, such as Product Quality and Safety, have long been recognized as vital to Tecan's business and have detailed associated policies and internal measurement of achievements. Other topics, such as Circular Economy, are at an earlier stage of integration into Tecan's business practices. This summary provides the goals and key 2023 achievements in each area. In 2024, in addition to pursuing the goals set out below Tecan will complete TCFD (Task Force on Climate Related Financial Disclosures) analysis and reporting and strengthen processes for the collection and management of sustainability related data.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



ENVIRONMENT

CLIMATE IMPACT

Focus: Reducing the greenhouse gas emissions generated by our business activities

Goal: Overall Net Zero Target: Tecan Group Ltd. commits to reach net-zero greenhouse gas emissions across the value chain by 2050.
- Near-Term Targets: Tecan Group Ltd. commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year. Tecan also commits to increase active annual sourcing of renewable electricity from 34% in 2022 to 100% by 2025, and to continue active annual sourcing of 100% renewable electricity through 2030. Tecan finally commits to reduce absolute scope 3 GHG emissions 42% by 2030 from a 2022 base year.
- Long-Term Targets: Tecan Group Ltd. commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2022 base year.

2023 Achievements: Increase in purchase of renewable electricity from 34% to 60%, Science Based Targets initiative validation of Tecan's greenhouse gas emissions reduction targets and pathway

CIRCULAR ECONOMY

Focus: Transitioning from a linear economic model to a circular economy, e.g. by implementing eco-design principles in product research and development, optimizing the percentage of recycled content in our products and packaging, optimizing product lifespan and identifying and pursuing other opportunities to reduce waste

Goal: Reduced waste throughout our value chain

2023 Achievements: Supporting customers with information on how to recycle consumable products, shared on tecan.com

SOCIAL IMPACT

CUSTOMER SATISFACTION

Focus: Our customers and partners are at the core of all our business activities

Goal: High customer satisfaction and a prompt response to customer requests

2023 Achievements: Tecan's well-established After Sales Care process showed a vast majority of satisfied customers, with the majority describing themselves as "very satisfied" or "completely satisfied"

BEING THE EMPLOYER OF CHOICE

Focus: Promoting employee learning and development, and a positive workplace culture

Goal: Being the employer of choice in our industry

2023 Achievements: Certification of Tecan as a Great Place To Work™ in Switzerland, Germany and the US

DIVERSITY, EQUITY & INCLUSION

Focus: Having a work environment founded on equity and fair treatment, with processes and practices that foster equal access to opportunities for everyone, and an inclusive culture where all individuals are welcomed, respected and can thrive in a psychologically safe environment

Goal: A diverse workforce, recognizing each individual's uniqueness and reflecting society's diversity at all levels

2023 Achievements: Development of a global DEI strategy and roadmap

HEALTH AND SAFETY

Focus: Ensuring the health and safety of Tecan's employees

Goal: To fully implement Tecan's Global Health & Safety program, replacing our current local H&S systems

2023 Achievements: ISO 45001 certification of our sites in Switzerland

GOVERNANCE

PRODUCT QUALITY & SAFETY

Focus: Striving for excellence in product quality and safety by taking the time to fully understand our customers' needs, always complying with national and international requirements, implementing those requirements in our products and our organization, and providing long-term customer care

Goal: To continuously improve the quality of our products and processes and ensure compliance with and the effectiveness of our quality management system

2023 Achievements: Tecan entities hosted more than 13 externally conducted audits, including inspection by authorities, with no major findings

GOVERNANCE AND ETHICS

Focus: Consistently demonstrating good business practices, including in areas such as anti-bribery and anti-corruption, risk management and reporting

Goal: Consistent adherence throughout Tecan to the spirit and provisions of our Code of Conduct

2023 Achievements: Tecan's Code of Conduct has been upheld throughout the company

CYBER SECURITY

Focus: Ensuring the confidentiality, integrity, and availability of data (e.g., customer and employee data), and protecting this data from unauthorized access, use, or disclosure

Goal: A cybersecure environment for every aspect of Tecan's business

2023 Achievements: Alignment with ISO 27001

INNOVATION

Focus: Provide an enabling environment for product and service innovation, from improvements to disruptive or breakthrough innovations

Goal: Grow Tecan's business through product and service innovation

2023 Achievements: Successful launch of key products including solutions for fast growing applications like liquid biopsy, single cell analysis as well as genomics and proteomics workflows, launch of several new partnerships in enabling clinical applications; filing and awarding numerous patents

RESPONSIBLE SOURCING

Focus: Managing the social, governance and environmental impacts of our procurement activities.

Goal: A value chain conforming to Tecan's standards as set out in our Supplier Code of Conduct

2023 Achievements: Responsible Sourcing policy implemented through the Responsible Sourcing program, company-wide training provided on the Human Rights and Responsible Business Practices policy

SUSTAINABILITY AT TECAN

TECAN

Tecan is a pioneer and global leader in laboratory automation. Founded in Switzerland in 1980, the company has more than 3,500 employees: a full overview of Tecan's employee profile is included in the Social Impact section of this report. Tecan has manufacturing, research and development sites in Europe, North America and Asia, and maintains a sales and service network in over 70 countries. Tecan Group Ltd. is the parent company, and is a limited corporation incorporated in Switzerland, whose shares are publicly traded. Tecan Group Ltd.'s registered office is at Seestrasse 103, 8708 Männedorf, Switzerland. The entities included in Tecan's sustainability report are indicated here.

Tecan's main business activities are the research, design and development of our products, the final assembly of these at our production sites, and the related sales and service activities. Tecan markets products directly to end users and as an original equipment manufacturer (OEM) also develops and manufactures OEM instruments, components and sub-modules. The products manufactured by Tecan are used in laboratories for life science research, in applied markets and in clinical diagnostics as well as in the medical area. The largest product group comprises laboratory automation platforms, benchtop instruments, as well as instrument components and sub-modules.

Tecan does not conduct animal testing, or participate in, or knowingly fund, any external studies that use embryonic stem cells, fetal tissue or fetal cell lines. Clients include pharmaceutical, biotechnology, in-vitro diagnostic and medical devices companies, university research departments, and diagnostic and other laboratories. As an original equipment manufacturer (OEM), Tecan also develops and manufactures OEM instruments and components that are then distributed by partner companies into research, in-vitro diagnostic and medical device markets. Tecan's value chain also includes the distributor network and supply chain, which are described in this report.

SUSTAINABILITY GOVERNANCE

In 2021 Tecan created a Sustainability Committee, chaired by the CEO and made up of Management Board members responsible for specific ESG (environment, social and governance) areas, as well as Tecan's CFO, Sustainability Committee lead, and two subject matter experts who joined Tecan in Q3, 2021. The Sustainability Committee meets quarterly and sets Tecan's sustainability strategy and priorities, which are taken to the full Management Board for approval. Tecan's sustainability strategy is integrated into Tecan's Group strategy and is reported on quarterly to the Management Board as part of the regular strategy cockpit reviews. Sustainability topics are included in Tecan's regular annual strategy development and review process, annual risk management process, and in assessment of potential acquisition opportunities.

In 2023, Tecan's Audit Committee of the Board of Directors took on responsibility for the oversight of sustainability topics, and delegates management of these to Tecan's Management Board. Tecan's CFO and Sustainability Committee Lead brief the Audit Committee on key topics at least twice per year. The full Board of Directors is briefed

on sustainability developments by the CEO and respective Management Board members during their regular meetings, as described in the more detailed overview of our Board in the Corporate Governance section of Tecan's Annual Report. Board of Directors members have relevant sustainability expertise, gained in their previous roles as CEOs or senior executives of companies with sustainability programs. A well-rounded understanding of business impacts is one of many criteria looked for in potential Board members; the opportunity to increase the visible diversity of Tecan's Board of Directors is also one of the many factors considered, and gender balance of the Board is also a goal. Further detail about how Tecan's Board of Directors functions is set out in the Governance Report chapter of the Annual Report, as well as in Tecan's Organizational Regulations.

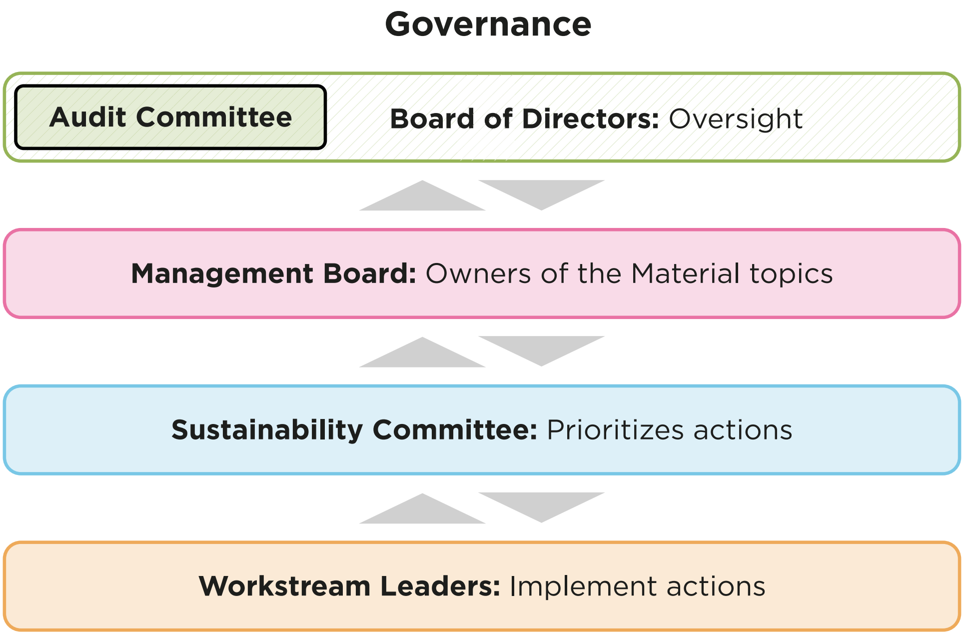
Tecan's CEO and Sustainability Committee members contribute to and review the annual Sustainability Report. The Audit Committee and the Chair of the Board of Directors review the Sustainability Report and provide input. Sustainability targets are included in the short-term variable pay compensation criteria of all Management Board members, and all Tecan colleagues who have a variable pay component to their compensation (see also Compensation report). In 2023, these targets related to the material topics Being Employer of Choice, Customer Satisfaction and Responsible Sourcing.

Throughout Tecan, management of social and environmental impacts is integrated into daily work. In addition, specific initiatives with a strong sustainability focus are tracked by Tecan's Sustainability Committee, as reflected in the sustainability governance structure diagram. Current initiatives include implementing Tecan's carbon emissions reduction plan, implementing the Diversity, Equity and Inclusion roadmap, and evaluating options to reduce the environmental impact of packaging and products. Sustainability Committee members are responsible for updating the Sustainability Committee on the progress of workstreams within their area, and the Sustainability Committee lead presents a summary to the Management Board when key decisions are taken, along with any committee proposals that need Management Board approval. Tecan's sustainability Group Function is made up of the Sustainability Committee Lead and his direct report, Tecan's sustainability lead. Tecan's sustainability lead is the Sustainability Committee secretary, responsible for preparing the committee meetings and driving the sustainability agenda. Tecan has been able to offer internship opportunities to a sustainability trainee since Q3, 2022, with each trainee who has graduated from the program so far going on to pursue further work in sustainability, within Tecan and externally.

Meet Tecan's Sustainability Committee members:

- Committee Chair: Achim von Leoprechting, CEO
- Sustainability Committee Lead: Martin Brändle, Senior VP Corporate Communications & IR
- Ulrich Kanter, Head of Operations and IT
- Tania Micki, Chief Financial Officer
- Erik Norström, Head of Corporate Development
- Ingrid Pürgstaller, Chief People Officer
- Andreas Wilhelm, General Counsel and Secretary of the Board of Directors of Tecan Group Ltd.
- Marco Felicioni, Head of Environment, Health & Safety Office
- Sustainability Committee Secretary: Sarah Vowles, Director Sustainability & Corporate Communications

TECAN'S SUSTAINABILITY GOVERNANCE STRUCTURE



TECAN'S SUSTAINABILITY STRATEGY

At Tecan we improve people's lives and health by empowering our customers to scale healthcare innovation globally from life science to the clinic. We collaborate with our customers in healthcare and the life sciences, from early-stage innovation through delivery of clinical solutions. We deliver the products, services and solutions that make lab processes and medical procedures precise, reproducible and compliant. This leads to scalable outcomes that are further reaching and ever more valuable to humankind. Tecan's sustainability strategy supports the Company's purpose, is integrated into Tecan's annual strategy development and review process, and was approved by the Board of Directors in 2023. This strategy enables Tecan to say, "Our products add value to society, our business practices do, too". Both a description of how Tecan operates today and an aspiration indicating the areas in which Tecan will strengthen processes on an ongoing basis, the strategy states:

From design through production to end-of-life, we maximize the positive impact of our products and business practices. Tecan's products enable innovative healthcare, consider eco-design, and are produced with responsibly sourced materials. Our sites are carefully managed to minimize negative environmental impacts and to implement practices which have a positive environmental impact. We consistently demonstrate excellence in product quality and safety, governance, and risk management, and have a measurable positive impact as an employer and in our communities.

Implementation of this strategy is further described in the Environment, Social Impact, and Governance sections of this sustainability report.

SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT AND UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

Tecan joined the UN Global Compact (UNGC) in 2018, and in doing so committed to a precautionary approach to environmental challenges, along with key social impact and good governance principles derived from UN instruments such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Adherence to these principles was approved by Tecan's CEO and is tracked by Tecan's sustainability Group Function and reported on annually via the UNGC reporting platform. In 2023, Tecan's UNGC reporting was completed

SDGS SUPPORTED BY TECAN

Tecan supports the blueprint for a better future set out in the UN Sustainable Development Goals, and aligns in particular with goals 3, 5, 8 and 12. This alignment follows from Tecan's business practices and purpose, which can advance progress towards the targets behind these goals.

SDG 3 Good health and well-being.
Ensure healthy lives and promote well-being for all at all ages.

Our measures taken:
Empowering our customers to scale healthcare innovation globally from life science to the clinic.

SDG 5 Gender equality.
Achieve gender equality and empower all women and girls.

Our measures taken:
Empowering our colleagues globally to advance equal opportunities for women, and to ensure equal treatment in the workplace.

SDG 8 Decent work and economic growth.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Our measures taken:
Through ethical business practices and with an emphasis on creating a diverse, inclusive, positive work culture Tecan works to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SDG 12 Responsible consumption and production.
Ensure sustainable consumption and production patterns.

Our measures taken:
Integrating sustainability into our practices, including working towards a more circular business model through our eco-design principles.

Source: www.un.org/sustainabledevelopment/sustainable-development-goals in May on the UNGC's newly launched online platform. Additional SDGs are supported through the work of Tecan's customers, and through research projects supported by Tecan. The majority of Tecan's customers focus on activities intended to ultimately benefit human health. Notable exceptions are highlighted on the sustainability page of tecan.com.

In 2023, Tecan celebrated UN SDG Flag Day with an interactive exhibition at the Männedorf headquarters, including a quiz designed for the event that communicated the purpose of the SDGs as well as what these mean for Tecan.

STAKEHOLDER ENGAGEMENT

Tecan's stakeholders include customers, investors and employees, as well as our business partners and the communities in which we live and work. Customer satisfaction is a priority for Tecan, as described in more detail in the Customer Satisfaction section of this report. Customer surveys enable a structured engagement process, and complement the ongoing dialogue that can form between Tecan and customers based on the long life of Tecan products and associated service of products. Tecan has regular dialogue with investors as described in the Information Policy section of this report. Tecan regularly responds to requests for information from customers and ratings agencies, and through these and the other interactions is able to assess what topics are of most importance to these stakeholders. Tecan's engagement with employees is described in the Social Impact section of this report. Engagement with stakeholders including Tecan's peers is facilitated by participation in industry associations. Tecan's stakeholder engagement enables Tecan to calibrate its business decisions to ensure an optimum outcome.

Tecan is a member of associations including:

- ALDA (Analytical, Life Science & Diagnostics Association), a "non-profit industry trade association for global companies that develop and market products and services used in life science research, drug discovery, QA/QC and food testing, and clinical diagnostics"
- MedTech Europe, an industry association with the mission to "make innovative medical technology available to more people, while helping healthcare systems move towards a sustainable path"
- The Regulatory Affairs Professionals Society (RAPS), which is based in the US and is "the largest global organization of and for those involved with the regulation of healthcare and related products, including medical devices, pharmaceuticals, biologics and nutritional products"
- SwissHoldings, an association of industrial and service companies based in Switzerland working for favorable business conditions for such multi-national enterprises
- Swiss MedTech, "the association of Swiss medical technology", which represents approximately 700 companies, and is a member of the umbrella group MedTech Europe
- The United Nations Global Compact (UNGC), an initiative based on CEO commitments to sustainability principles, and to supporting United Nations' goals
- WeAdvance, "the leading business association for gender equality in Switzerland" as described here.

SUSTAINABILITY FOCUS AREAS

Tecan's material topics were first identified in 2021 with input from stakeholders gained via employee engagement, customer surveys and queries, ratings agencies' questionnaires, participation in industry and other associations, and conversations with investors. In 2023, this materiality analysis was revised via a detailed double materiality assessment, carried out with the support of external consultants. "Double materiality" assesses both the financial impact of external sustainability factors on Tecan's business performance ("financial materiality") and the social and environmental impacts of Tecan's business on society ("impact materiality").

Following the best-practice methodology reflected in the diagram "Double Materiality Approach," Tecan engaged with stakeholders via customer, supplier and employee surveys and interviews as well as detailed research. Stakeholders were identified by assessing impacts throughout the value chain and pinpointing stakeholders relevant to the different parts of the value chain. The double materiality analysis was conducted on behalf of all Tecan entities.

Double Materiality Approach

	1. Understand the context & Stakeholder identification	2. ESG material matters scoping	3. Stakeholder engagement	4. Materiality assessment	5. Documentation
OBJECTIVE	Understand the value chain impacts and relevant stakeholders	Scope the topics and sub-topics to be analysed	Inform the assessment with stakeholders´ view	Identify impacts, risks & opportunities, define materiality thresholds, determine material topics	Draft the materiality report

As well as identifying actual and potential impacts, both negative and positive, the likelihood and severity of each impact identified was assessed, looking into Tecan's full value chain and adopting a forward-looking perspective. In the case of potential negative human rights impacts, severity was given precedence over likelihood. The scale, scope, and irremediable character of the impacts identified was then assessed to determine if each met the threshold of being "material".

This detailed analysis confirmed the results of Tecan's 2021 materiality analysis. Certain topics that had previously been grouped under the broad topic Governance and Ethics were identified as material topics in their own right, and are reported on in the Customer Satisfaction, Innovation and Cybersecurity sections of this report. Health & Safety was also identified as a material topic, having been previously included in the focus area Being Employer of Choice. Community Engagement did not meet the threshold of materiality at the Group level but could be expected to if a country-level perspective were taken and is included in this report as an important aspect of Tecan's social impact. Carrying out the double materiality assessment provided Tecan with a welcomed additional opportunity for dialogue with stakeholders about their views on sustainability and Tecan's approach to managing impact. Tecan will continuously monitor developments externally and internally to assess if the current material topics remain "material" and if new topics should be included in this scope.

Material topics

ENVIRONMENTAL IMPACT

Climate Impact
Strategies for adaption, resilience and transition to a low-carbon economy, focusing on reducing GHG emissions, using renewable energy and investing in carbon optimized transport and logistics

Circular Economy
Seeking to design out waste in our products and processes, increasing the percentage of recycled content in our products and packaging, extending product lifespan

SOCIAL IMPACT

Customer Satisfaction
Ensuring a consistently high standard of customer satisfaction

Being the Employer of Choice
Maintaining a positive workplace culture and employee journey including through talent management, learning and development

Diversity, Equity and Inclusion
Demonstrating equality of oppurtunity in business practices including hiring, training and promotions

Health and Safety
Ensuring healthy and safe working conditions

GOVERNANCE

Product Quality and Safety
Tecan strives to achieve the highest standards in product quality, customer satisfaction and regulatory compliance

Governance and Ethics
Demonstrating good business practices

Cyber Security
Protecting information assets, mitigation risks, enhancing trust and protecting sensitive information

Innovation Management
Enabling innovation, including improvements, disruption and breakthrough innovations

Responsible Sourcing
Managing the social, governance and environmental impacts of our procurement activities

Management of each material topic is described in the Environment, Social Impact, and Governance sections of this report.

TRANSPARENT COMMUNICATION AND SUSTAINABILITY RATINGS

Tecan values transparency and invests a significant amount of time in completing voluntary reporting requests and responding to customer sustainability questionnaires. Below are the ratings Tecan received in 2022 and 2023 from the most well-known sustainability ratings organizations.

Survey	2023 Rating	2022 Rating	Change ´22 - ´23
CDP	C	C	⇔
EcoVadis	Silver, 63/100	Bronze, 48/100	⇧
ISS (Governance)	1/10, lowest risk	1/10, lowest risk	⇔
MSCI	AA	AA	⇔
S&P CSA	45/100	38/100	⇧
Sustainalytics	13.4 (low ESG risk)	13.8 (low ESG risk)	⇧
WDI	80/100	60/100	⇧

ABOUT THIS REPORT

This annual sustainability report has the same scope as the rest of Tecan's Annual Report, covering the period January 1, 2023 – December 31, 2023 and unless otherwise stated, covers all Tecan entities. A list of Tecan entities is included here. In the environmental data section is a restatement of 2022 data. This report has been prepared with the provisions of Article 964 j- k of the Swiss Code of Obligations, *Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour* in focus, and in alignment with GRI (Global Reporting Initiative) standards. Tecan's sustainability report has not received external assurance. An assurance readiness assessment was completed in 2023. The report is reviewed as described. For further information contact sustainability(at)tecan.com or sarah.vowles(at)tecan.com.

ENVIRONMENT

Tecan's main business activities are the design and development of innovative instruments, instrument components and modules, software, reagents and consumables for research, diagnostics and medical use and the execution of global sales and service activities. For instruments, components and sub-modules, the largest source of revenue contribution, focus is on the final assembly, testing and packaging. In Tecan's facilities these activities have a relatively low environmental impact as they are not energy intensive, do not generate a large amount of waste and do not require significant water use – most of Tecan's water consumption is in the bathrooms and canteens. Nevertheless, Tecan aims to minimize any negative environmental impacts of its business activities and implement opportunities to have a positive environmental impact. In 2023, Climate Impact and Circular Economy were identified as material topics for Tecan.

CLIMATE IMPACT

Although Tecan's business activities are not energy- or emissions-intensive information about our environmental impact has been reported in our Annual Report since 2007 and data disclosed via CDP reporting since 2011. In 2019 Tecan set a target to reduce a defined portion of greenhouse gas emissions by one-third by 2022, and this target was reached. A commitment to tracking Tecan's total global greenhouse gas emissions at least annually is included in Tecan's Human Rights and Responsible Business Practices policy, which is owned by Tecan's CEO and is available on tecan.com.

As the reports of the International Panel on Climate Change make clear, rapid decarbonization is needed to limit average global temperature increase to 1.5°C above pre-industrial levels. In 2022 Tecan committed to the Science Based

Targets initiative (SBTi) and Business Ambition for 1.5°C, aiming to make our contribution to this global emissions reduction effort. At the end of 2023, Tecan's science-based targets and emissions reduction plan were validated by the SBTi.

Greenhouse gas emissions reduction
Tecan's SBTi-validated greenhouse gas emissions reduction targets are as follows:
- Overall Net Zero Target: Tecan Group Ltd. commits to reach net-zero greenhouse gas emissions across the value chain by 2050.
- Near-Term Targets: Tecan Group Ltd. commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year. Tecan also commits to increase active annual sourcing of renewable electricity from 34% in 2022 to 100% by 2025, and to continue active annual sourcing of 100% renewable electricity through 2030. Tecan finally commits to reduce absolute scope 3 GHG emissions 42% by 2030 from a 2022 base year.
- Long-Term Targets: Tecan Group Ltd. commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2022 base year.

Tecan's environmental data is in the Data section of this report.

As is typical for manufacturing companies, the biggest sources of Tecan's greenhouse gas emissions are indirect sources, scope 3 in the Greenhouse Gas protocol, in particular 3(1) Purchased Goods and Services, and 3(11) Use of Sold Products. Tecan's emissions reduction plan focuses on these areas, and during 2023 environmental criteria were integrated into Tecan's Supplier Qualification process as well as included in the re-qualification of suppliers that is being carried out as part of Tecan's Responsible Sourcing program.

Collection and management of Tecan's environmental, social impact and governance data was the focus of a detailed project within Tecan in 2023. With the support of external consultants, a blueprint has been developed to increase automation of the data collection and management process where needed, and to extend the scope of data collected. Once implemented, this process will provide an important foundation for the management of environmental impact, including providing insight throughout the year on the effectiveness of steps taken to reduce emissions.

A communications cascade leveraging team meetings and townhall meetings throughout Tecan brought the topic of greenhouse gas emissions reduction and Science Based Targets to the attention of the majority of Tecan employees globally, providing an opportunity for everyone to ask questions and provide input. A video with Tecan's Sustainability Committee lead, Martin Brändle, was posted on Tecan's intranet and a link shared in the cascaded materials, providing an overview of the Science Based Targets and Tecan's actions. The presentation shared in the cascade was recorded with a voiceover and also posted online, along with supporting materials including a link to an online game challenging participants to reduce their greenhouse gas emission to net zero by 2050. Engagement around the topic has been high, with many colleagues making use of the "case studies" forms that was included in the communications cascade to facilitate sharing of examples of positive impact throughout Tecan.

In 2023, Tecan also kicked off analysis of the risks and opportunities presented by global temperature increases of 2°C and 4°C above pre-industrial levels. This scenarios analysis will form the basis of Tecan's Task force on Climate Related Financial Disclosures reporting, which will be shared in the annual report next year.

In addition to measuring environmental impact, Tecan has taken a number of steps to minimize and mitigate impact, such as:

Eco-design
Eco-design provides Tecan with further opportunities to reduce its environmental impact. Tecan's Fluent™ Automation Workstation incorporates a number of eco-design features, including stand-by mode, which saves power when the system is not in use but allows it to be activated immediately, and "Zero-G", which reduces power to the motors when the system is on pause or within a run whenever an arm is not in use. The Fluent™ is an unusually quiet workstation, reflecting its efficient design: the field-oriented control protocol increases the efficiency of the motors by up to 80%. Waste segregation features allow for the separation and so optimal disposal of contaminated waste (plates and tips) versus clean waste (tip wafers and boxes), and efficient fixed tip washing protocols help to minimize the use of disposable tips.

Considering energy efficiency, materials, waste and the opportunity to have a positive environmental impact is part of Tecan's structured research and development process, with a dedicated section of Tecan's "milestones" R&D review process focused on alignment with Tecan's sustainability strategy. In 2023 Tecan's sustainability program and the results of that year's utilization of the milestones review process were presented at an R&D Townhall meeting, giving colleagues the opportunity to ask questions and hear from Tecan's Chief Technology Officer and Head of R&D how important it is to continue to look for eco-design opportunities, ensuring Tecan's products are future-fit.

Tecan's headquarters and site management

Tecan's Männedorf headquarters was an early example of a "green building", built with environmental impact in mind. It has a "living roof" which naturally reduces building energy consumption, as well as rooftop solar panels that generate around 10% of the building's electricity needs. LED lighting and automatic sunshades also reduce energy usage, and low-flow water systems ensure efficient water use. Charging stations powered by renewable energy are available free of charge for employees who have electric vehicles, and a subsidy for employees who commute using public transit also reduces overall environmental impact. For employees who need to travel between Tecan buildings or otherwise locally from Tecan's headquarters, hybrid vehicles are available. Impact is also managed at the employee canteen, which serves meals made from seasonal, local ingredients, always with a vegetarian option, and consciously avoids generating food waste. In 2023 Tecan's headquarters received ISO 14001 certification, and ensuring that the related best practices are shared among our sites around the world is a priority for Tecan's Environment, Health and Safety Office. Tecan activities are also guided by our strict Product Environmental Compliance policy, and are reflected in Tecan's Code of Conduct, both of which mandate that environmental legislative requirements are met and that employees work to minimize Tecan's environmental impact, and both of which are publicly available. The Product Environmental Compliance policy and facilities management systems and ambitions reflect Tecan's support of UN SDG 12.4, to "achieve the environmentally sound management of chemicals and all wastes throughout their life cycle…" and UN SDG 12.5, to "substantially reduce waste generation through prevention, reduction, recycling and reuse."

The Factory in the Forest

The acquisition of Paramit Corporation and its affiliates in August 2021 brought an exceptionally green building into Tecan's portfolio, the award-winning "Factory in the Forest." Consciously designed to connect the building's occupants to nature, the factory optimizes use of indigenous plant life to create a unique workplace that also maximizes energy efficiency, water efficiency and use of natural light. With trees surrounding and even inside the building, the greenery provides protection from the sun, and roof gardens as well as a courtyard linking the office and production areas enable employees to directly access this environment. As the building's architects have noted, "Forests, critical for both macro and micro-climates, are also vital for our psychological well-being" a concept further explored in a book about the building. Building technology includes an innovative chilled-water radiant floor cooling system that is twice as energy efficient as conventional air conditioning, and dimmable daylight-responsive LED lighting as well as individual task lighting, which complement the diffused natural light to ensure an evenly lit work environment. A louver canopy provides shade and reduces energy consumption, and rainwater is collected and used for landscape irrigation. The "Factory in the Forest" is certified to the ISO 14001 standard.

Factory in the forest

Climate Mitigation

In 2020, Tecan completed a product carbon footprint of our flagship Fluent™ automation workstation and followed that by annually purchasing carbon credits to offset the emissions generated by production and shipping of the various models of the Fluent™. In 2021, the product carbon footprint of the Spark family of detection products was completed, and subsequently Tecan implemented an annual offset of production and shipping emissions. In 2024, a related amount of carbon credits has again been purchased, addressing slightly more emissions than it is estimated can be attributable to the products' production and shipping. The correlation is not direct, and reflects the value Tecan places on climate mitigation projects, which also have a significant positive social impact as well as a beneficial environmental impact. The descriptions of the projects previously funded by Tecan can be found in our 2022 Annual Report, and the climate mitigation supported in 2024 is described here.

Tecan's ISO 14001 certification is shared on tecan.com.

CIRCULAR ECONOMY

A circular economic model is one in which the creation of waste is avoided, in contrast to the linear "take-make-dispose" pattern of resource use seen more often today. Circular economy principles can be built into the design of products, as well as considered in their materials. The transition to renewable energy and materials underpins the approach. The need to transition to a circular economy is clear: every year, humanity uses more resources than the planet can regenerate, threatening the very ecosystems that enable life to flourish.

Tecan's main business activities are the design and development of innovative instruments, instrument components and modules, software, reagents and consumables for research, diagnostics and medical use and the execution of global sales and service activities. For instruments and components, focus is on final assembly, testing and packaging. The materials sourced for this are a large contributor to Tecan's scope 3 emissions; typical materials include steel, aluminum, plastic, small amounts of tin, and forestry products for packaging. Many of Tecan's products are long-lasting, designed to be used for many years and this long product lifespan is supported by Tecan's service offerings. Nonetheless, there are opportunities to reduce Tecan's use of resources, including through eco-design.

Tecan offers a broad portfolio of products including disposable pipette tips. However, Tecan is one of the few suppliers to leave it up to the customer, depending on the application, to decide whether steel needles are used for pipette steps. To do so, Tecan has two completely different technologies for liquid transfers. For applications where the risk of cross-contamination is only very minimal or even non-existent, it can make sense to use steel needles for reasons of sustainability, and some major customers choose to do this.

Tecan's products are deployed to a large extent in regulated laboratories and markets, which restricts what changes can be made to the content of products and can also restrict how these changes are made. These restrictions often apply also to the packaging that touches the product. There are also restrictions regarding product disposal, for example, plastics that have come into contact with certain medical samples are incinerated rather than recycled. Tecan's "consumables" products, many of which come into contact with samples and by regulation cannot be reused and might even need to be treated as hazardous waste, are estimated to be Tecan's biggest source of plastic waste and in 2022 a team dedicated to these products was formed, taking on the task of reducing the environment impact of this line of products. In 2023, the Consumables team researched options for addressing plastic waste including the feasibility of takeback programs, and recycling. An information sheet advising customers how best to recycle Tecan consumables was produced and shared on tecan.com. Additionally, projects focusing on lightweighting existing products and reducing the impact of packaging were pursued in 2023, and remain in focus for 2024, and work is underway to develop related measurable targets. In total, Tecan's efforts support UN SDG 12.2, to "move towards a circular business model."

SOCIAL IMPACT

Tecan is very aware of the enormous responsibility it bears for its employees, who are the foundation of the company's successful development. The basis for working with Tecan is an open, diverse and integrated culture that focuses on dealing with one another respectfully, with the same rights and opportunities for all employees. To ensure this, personnel policies are binding at all Tecan sites around the globe. National hiring rules ensure compliance with laws on, for example, gender equality and non-discrimination. Tecan managers and employees are also held to strict ethical guidelines. These ethical guidelines are established in the Code of Conduct and form part of the training requirements for all employees, and are included in the Global Human Resources Management Policy, an internal document accessible by and applicable to all of Tecan.

BEING THE EMPLOYER OF CHOICE

Health and well-being

Employees' health and well-being, be it physical, mental or emotional, is of high importance for Tecan. We acknowledge that work has an important impact on employees' health. That's why we are providing programs and services to promote a healthy work environment, prevent physical and mental illness and help employees maintain their health and well-being.

Globally, a program to help colleagues strengthen resilience in difficult times was added to Tecan's online learning portal in 2021 and continued to be a resource in 2023. In 2023 a corporate leadership program connected to our leadership principles was launched to increase psychological safety within all teams. The program also included a session focusing on respecting oneself and one's team by emphasizing the importance of rest and energy management in a continued challenging environment.

To support employees' health and well-being, we are continuously improving our facilities. For instance, the facilities in Hamburg and Austria were improved in 2023 by refurnishing, increase natural light and installing air-condition in the laboratories and production areas. In our Männedorf headquarters, the office space has height-adjustable ergonomic workstations, abundant natural light, and free fresh fruit provided daily and free-of-charge. Our efforts to improve the working environment in our facilities have had an impact. In our 2023 global employee survey 73% of our employees confirmed that our facilities contribute to a good working environment, compared to 65% in 2021.

In different locations across the globe sports opportunities are provided, including standup paddleboards for use on Lake Zurich, tournaments for badminton, futsal and bowling in Malaysia, bike leasing in Germany and the UK, free yoga sessions in Männedorf, and regular badminton and a running competition in China. In another example of supporting health and well-being, our team in Japan established a health committee in 2023 which resulted in a collaboration with a physician who regularly provides appointments. Additionally, online stress checks for all employees have been initiated. In Malaysia, an appreciation day was organized to highlight the value of employees and thank them for their dedication, success and camaraderie throughout the year. Photos and videos of the day were shared on Tecan's internal social media platform, bringing everyone closer to the event and so adding a further dimension of benefit from this special occasion.

Incorporating feedback from employees

Appreciation of Tecan's efforts to nurture an inclusive, positive workplace culture has been reflected in the results of employee surveys carried out in 2020, 2021 and 2023, which led to Tecan's certification as a Great Place to Work™ in Switzerland, the US and Germany. The certification follows independent, anonymous Trust Index™ surveys of all employees, providing a clear and accurate picture of the workplace culture. Participation in these surveys is very high, with 92% of all employees globally sharing their views in 2023. This high participation rate across all units and countries globally shows that our employees feel safe to raise their voices and that they feel heard. In 2023, all employees who joined Tecan through the 2021 acquisition of Paramit Corporation were included in the survey. Tecan's overall trust index in 2023 was 71% with 74% of employees stating that Tecan is a great place to work.

Follow-up actions to the employee survey carried out in 2022 were grouped into the areas: Re-thinking Leadership, Opportunities for Innovation, and Compensation and Benefits. In response to employee feedback, the Management Board renewed its focus on Tecan's leadership principles: courage, curiosity, and respect and brutal honesty in 2022. To ensure employees experience a positive evolution of workplace culture, a Leadership Development Journey was launched in 2023 to drive the implementation of the leadership principles. All Senior Leaders were invited to a two-day workshop in 2023 focusing on the leadership principle "respect and brutal honesty," elaborating on how to build a psychologically safe environment. The program is continuing in 2024, focusing on the leadership principles "courage and curiosity". Also, Tecan's Chief People Office and her guests have discussed the practical implications of our Leadership Principles in various People Podcasts. Demonstration of these principles is also included in the annual performance appraisal process to ensure discussion and implementation on all leadership levels of the organization. Outstanding leadership related to living Tecan´s Leadership Principles was celebrated for the first time in 2022 at the Global Leadership Conference with Leadership Awards, to highlight the qualities Tecan expects from all senior leaders. Leaders from global sites were nominated for these awards by their peers and recognized by the Management Board. These awards were bestowed again in 2023 and will continue in 2024.

Based on survey results, it was also decided that the 2021 "fall forward" initiative would continue in 2023: employees are encouraged to take well-calculated risks, not to be afraid of failure but to learn from experience, communicate learnings transparently and move forward fast. The third 2022 Management Board-led initiative in response to employee feedback looked at how Tecan rewards employees for their work, going beyond simple, financial compensation and looking at the total rewards package. While this initiative continues, there were some milestone achievements in 2022. A notable change was in flexible working arrangements, designed to help employees to balance their professional and private responsibilities. The existing arrangements for flex time and part-time working were complemented by 10 days working from anywhere and learning hours. The impact of this was seen in the 2023 employee survey, in which 69% of employees confirmed that they feel encouraged to balance their work life and their personal life compared to 60% in 2021.

In the 2023 employee survey 60% of the employees confirmed that effective measures were implemented following the last employee survey compared to only 54% in the 2021 survey. In future, employee surveys will be carried out globally every two years, with the goal that by 2025, increased engagement survey participation and trust level scores are achieved, compared to the 2021 baseline.

Learning and development

One of Tecan's strategic initiatives is to build, empower and strengthen people in order to achieve their maximum potential. Via the Learning@Tecan program Tecan offers a wide range of trainings built upon its values of trust, highest standards and ambition. Trainings are offered both internally and externally and they are conducted in various forms such as instructor-led, virtual, and self-learning. Employees may choose from a variety of courses around topics like Leadership & Culture, Skills Learning and Exchange@Tecan. The Learning@Tecan Program constantly evolves to meet the changing needs of employees and the organization. It is also adapted to the local needs across the different sites and organizations around the globe. In 2023, Learning@Tecan implemented a new interface to allow for scalability and facilitate the learning and engagement of all learners worldwide.

Tecan operates in highly regulated markets such as the diagnostic sector. Therefore, ongoing professional and continuing training is a key requirement critical to business. Due to strict industry-specific requirements, Tecan must comply with requirements and guidelines set forth by various supervisory authorities and must also demonstrate that its employees possess the required knowledge. Aided by an SAP-based system, Tecan ensures that training processes are carried out to a sufficient standard throughout the company. Each individual employee receives a personalized training profile, enabling employees and line managers to check and update the current training status. It also ensures that information on training levels is available electronically at all times for audits. Tecan is working continuously to develop and improve this learning system. It is intended to provide an effective performance record and offer employees the best possible training opportunities.

In 2022, Tecan was able to extend training opportunities by offering all employees access to a leading online training platform, and 20 hours of paid working time in which to pursue their personal development. In 2023, 80% of our employees took advantage of the opportunity and spent an average of 58 minutes per month on the online platform. Trainings conducted by Product Management, mandatory trainings assigned via the online Learning Services Organization platform, and external trainings organized and financed by line managers are also among the development opportunities provided at Tecan.

To further embed and scale our Leadership Principles a Senior Leadership Development journey was started in 2023. In the first year the focus was respect and brutal honesty. In 2024 the focus will be courage and curiosity. The aim is to offer senior leaders the opportunity for transformational development to strengthen and deepen their leadership skills. Further it ensures that our leaders, as a senior leadership team and as individuals, take ownership in further shaping Tecan's culture.

Tecan focuses on developing its top talent and future leaders through the global talent management program Next Gen Tecan, initiated in 2019. The aim of this 18-month-long program is to offer nominated employees a broad experience within Tecan. In addition to workshops focused on different aspects of personal and professional development, the program includes personal mentoring from one of the Management Board members. The second phase provides an opportunity to get to know Tecan better, including deep dives in different departments, sites and regions. The third phase focuses on concrete projects, each sponsored by members of the Management Board. Since the beginning of the program, 20 colleagues have completed it successfully and some have already taken on larger responsibilities or roles within Tecan. The program continues and in 2023 we had 12 new participants.

To foster personal growth and career development, Tecan maintains a mentoring program that is available to all employees. In addition to the general program, special programs such as diversity mentoring are offered. The mentoring program can help employees in meeting their career goals, get practical advice, encouragement or support, and further develop capabilities and personal skills. Overall, it supports networking within the company and has a positive impact, improving leadership and social competencies.

Tecan's annual performance review process is offered to all (100%) our employees. Our Line Managers are strongly encouraged to seek employee input and provide regular feedback regarding performance outside of the formal review process.

Tecan participates in providing high quality apprenticeships, to train future generations. There were 18 people

enrolled in Tecan's Swiss and Austrian apprenticeship program in 2023, contributing to UN SDG 8.6, to "substantially reduce the proportion of youth not in employment, education or training."

Excluding apprenticeships, on average Tecan employees enjoyed an estimated 49 hours of training per employee in 2023, with a total of more than 14,000 hours spent on Learning@Tecan courses, amongst 33 types of trainings.

Gender Group	Average hours of training provided per employee	Average hours of training provided per employee including 20 hours Tecan Learning
Per female employee	34.34	54.34
Per male employee	25.43	45.43
Undeclared/unknown	16.15	36.15
Per employee globally	**29.24**	**49.24**

Additional employee-related data is set out in the Data section of this Report.

DIVERSITY, EQUITY AND INCLUSION

Tecan strives to create an innovative and positive workplace culture, enabling Tecan to have a beneficial social impact and strengthening business performance. It is well-known that a diverse and positive working environment improves motivation and performance, when everybody feels safe and can bring their full self to work it increases productivity and innovation. As a global and highly innovative company serving research and clinical markets, it is important to Tecan to create an environment of trust where everybody can make their voice heard, an additional example of putting our corporate values into action. A well-defined Diversity, Equity and Inclusion (DEI) program is a key part of this effort.

In 2023 an important milestone in Tecan's DEI journey was achieved as we developed a vision, a strategy framework and a roadmap with actions for 2024. The DEI vision defined aims at achieving Tecan's purpose by embracing uniqueness, providing an inclusive and psychologically safe environment where our actions drive equity to ensure our employees can feel a sense of belonging and make an impact. Tecan's efforts as an employer support UN SDG 5.1, to "End all forms of discrimination against all women and girls everywhere" and contribute to UN SDG 5.5, "to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life". They also support UN SDG 8.5, "to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value."

Tecan conducted employee engagement surveys in 2020, 2021 and 2023 and attained particularly high scores on questions related to diversity and inclusion in 2023. 84% of employees said that people at Tecan are treated fairly regardless of their race or ethnic origin, sexual orientation, age or their gender. Employee feedback confirmed that Tecan is succeeding in its aim to offer a positive culture and a workplace free from discrimination, in which each employee has equal opportunity to reach their full potential.

The strong message from employees that they feel secure to be themselves and can have a direct impact on progress at Tecan has been reflected in our articulation of what makes us special as an employer, "Stay unique and make it count." This statement is directed both to current and future employees in all our global locations.

Tecan's commitment to diversity and inclusion is incorporated in the Code of Conduct, Human Rights and Responsible Business Practices policy, and Supplier Code of Conduct, all of which are found on tecan.com, as well as in Tecan's internally available Employment Principles. In cases where these policies are contravened, employees and other stakeholders can report this anonymously via Tecan's independent third party whistleblower service, as described in the Governance section of this report. In 2023, six whistleblower hotline reports were made covering various topics, with one DEI-related case, in which investigations are ongoing.

To create a solid foundation for a successful DEI program and continue building a positive inclusive working culture we have launched a Senior Leadership Development Journey in 2023. It focuses on bringing our Leadership principle of "respect and brutal honesty" to life by providing learning on how to create psychological safety, how to build an open feedback culture, and how to improve awareness of how to use and give space in business context and cascading this knowhow through the whole organization.

Tecan aims for greater diversity in senior management, and in recent years initiatives have been introduced that are known to increase gender equality in this regard, including:

- Flex time, allowing employees wherever possible and subject to local law, to choose when their required worktime is completed
- Support of part time work, which encourages equal sharing of caregiver responsibilities
- Diversity mentoring, a global program designed to embrace, support and empower diversity by matching selected candidates with members of senior management who receive training for this program.

Tecan joined WeAdvance in 2020 and is therefore able to offer employees access to the WeAdvance cross-company exchange and mentoring program as well as to research and events offered by the association. The goal of WeAdvance is to "reach a sustainable minimum of 30% female representation at all management levels across all member companies by 2030." Tecan is supporting the effort by already having a 30.4% female representation across all management levels, with representation at 43% in the Board of Directors, 25% in the Extended Management Board and an overall female representation of 43% across the globe.

An equal pay audit conducted in 2021 and verified by an independent third party auditor showed no gender-based inequality in pay at Tecan in Switzerland, and it is anticipated that similar audits will be carried out in additional Tecan locations in future years, beginning with Germany and Austria.

Community Engagement

Tecan has a positive social impact at locations around the world by offering high-quality employment and by engaging with the communities in which employees live and work through activities such as volunteering and financially supporting charitable organizations.

Employee Resource Groups

In Tecan US, Employee Resource Groups (ERGs) provide new employees with welcoming communities of colleagues with shared interests and experiences, and these groups also highlight diversity within Tecan. ERGs are one of the leading channels through which Tecan supports employees in engaging with their communities.

Employee Resource Group: Te-CAAP

Te-CAAP's (Tecan Committee of African American Professionals) mission is "Te-CAAP champions a positive and inclusive environment for all African diaspora employees. Te-CAAP's aim is to foster education, discussion and dialogue among colleagues, and inspire awareness and growth within the company, outreach and support within the local communities and even a little fun with social outings."

In 2023, Te-CAAP organized a Day of Service and a food bank drive in honor of Martin Luther King day, and throughout February noted Black History Month with a weekly awareness campaign highlighting Mai Jemison, Misty Danielle Copeland, Lynette Youson, the Gullah Community / Fanner Baskets, and Charles Richard Drew, MD. Te-CAAP's "Better Together Event" in May 2023 was participation in the Komen Walk for the Cure 5K.

TE - CAAP.

Tecan Committee of African American Professionals

Juneteenth was also recognized, with an informative flyer on the history and current day celebration. During October, Te-CAAP partnered with the American Red Cross for a blood drive. With over 30 employees volunteering, 23 units of blood were collected.

The On the Same Page book club, launched jointly with the ERG Women Empowering Women, continues this dual approach with lively discussions about social justice-themed novels.

Employee Resource Group: Women Empowering Women (WEW)

WEW (Women Empowering Women) was founded as an ERG in 2021 and has 32 members. This year WEW went Global and has added members from other regions and divisions around the world.

WEW stays very active on Tecan's internal social media platform and shares regular updates with colleagues globally highlighting women in various fields of work. Bi-monthly mixers allow members to get to know each other better, network, and support one another.

Events organized by WEW in 2023 included hosting an International Women in Engineering Day guest speaker honoring this year's theme of "Make Safety Seen". A virtual celebration of International Women's Day highlighted a few short videos centered around this year's theme of "Embrace Equity," and with the Service WEW team two guest speakers from Oak Ridge National Labs were hosted, providing a Q&A focusing on how to empower and motivate women in engineering.

WEW also led a joint ERG venture to create a Tecan US Cookbook, From Lab to Table: Tecan's Employee Cookbook, which shared recipes from members of all Tecan's ERGs as well as highlighting these and other employee led groups at Tecan US.

In 2023, in honor of APIDA, Asian Pacific Islander Desi American Heritage Month, WEW shared a series of articles celebrating Women in STEM from the Asian Diaspora. WEW also shared a series of posts centered around Women's Equality Day to both educate and empower around the rights gained during that adoption to the US constitution in 1920.

In addition, WEW hosted a 2023 Community Outreach Effort called Women Empowering Women Period. This was a period product donation drive in support of Period Power, a dignity program of Diaper Bank of North Carolina. This project aligns with the WEW ERG mission statement by supporting females, giving back to our community, bringing awareness to period poverty, and helping de-stigmatize menstruation. We donated a total of 324 tampons, 531 maxi pads, 760 panty liners, 32 cleansing wipes and 36 pairs of underwear. These products will be distributed by Period Power, a dignity program of Diaper Bank of North Carolina, to local schools and community partners.

As with Te-CAAP, WEW events are open to all Tecan colleagues and are playing a significant part in creating the positive workplace culture Tecan strives to uphold.

Employee Resource Group: Te-Proud

In 2023, Tecan welcomed the creation of a new ERG, Te-Proud with the mission to create a safe, inclusive, and supportive environment for LGBTQIA+ employees and allies within Tecan. They aim to foster understanding and acceptance, promote professional growth and development, and advocate for the rights and well-being of all their members, regardless of their sexual orientation, gender identity, or expression. By promoting visibility, awareness, and education, they strive to empower our LGBTQIA+ colleagues and allies, enhancing our organization's culture of diversity, equity, and inclusivity. Beside regular exchanges they organized a guest speaker from a best practice company. The exchange provided us with valuable perspectives and contributed significantly to our ongoing dialogue on inclusivity and diversity.

Tecan Scholarship Program (US)

The Tecan Scholarship Program was launched in the US in 2023 with the purpose to provide a means for Tecan employees to encourage young people in their community to pursue their interest in science, technology, engineering, and mathematics (S.T.E.M.) and the environment. The scholarships are awarded to students participating in S.T.E.M. and environmentally focused programs. The Scholarship Committee is comprised of active Tecan employees who have an interest in providing opportunities for students to pursue their passions in S.T.E.M. and environmental programs.

Spotlight on: Special Olympics, Switzerland

In 2023, Tecan was proud to sponsor the Regional Games of the Special Olympics, Switzerland, held in Rapperswil, close to our Männedorf headquarters. Special Olympics is the world's largest sports movement for people with intellectual disabilities, with a vision to use the power of sport to create an inclusive world. The participants are grouped into performance classes to ensure everyone has the opportunity to win, as well as benefit from participation, improving self-esteem, and exploring personal physical fitness.

2023's event saw more than 300 athletes from across Switzerland participating in seven different sports: football, tennis, golf, floorball, table tennis, bowling, and boccia. As a corporate sponsor, Tecan's support was instrumental in making this event possible. Employees were able to volunteer for the event, helping to foster a spirit of community engagement and inclusivity. And, during the Tecan's summer party, the sale of the paintings created by Tecan managers at an earlier occasion raised an additional CHF1,650 for the Special Olympics.

TECAN GIVES BACK

Our annual global employee engagement and fund-raising initiative Tecan Gives Back was held again in June 2023, sponsoring employees as they undertake fitness and wellness activities, as well as time spent volunteering and on restorative activities such as creative work, reading and playing a musical instrument. Tecan Gives Back combines several factors important to the company: support for charities, engagement with local communities, promotion of the health and well-being of Tecan colleagues, and promoting the opportunity for employees to engage with colleagues beyond their usual day to day network.

Kilometers covered are tracked or assigned to time spent on Tecan Gives Back, and the related app enables progress to be followed on leaderboards, as well as allowing for team discussions and the sharing of stories and photos from Tecan colleagues around the world. The number of Tecan Gives Back participants increased in 2023, and the number of kilometers recorded increased 73% over an already record-breaking 2022 achievement. In total, CHF 60,000 was donated in 2023 to the four charities highlighted here.

The Swiss Cancer Foundation
As a small, agile foundation, the Swiss Cancer Foundation is committed to fighting cancer and can act quickly, in an innovation- and impact-oriented manner. It focuses mainly on projects with impact and potential for innovation. It also supports individual institutions and other cancer organizations.

Prevent Cancer® Foundation
The Prevent Cancer Foundation, based in the US, is solely dedicated to cancer prevention and early detection. They want to empower people to stay ahead of cancer through prevention and early detection – fighting for a world where cancer is preventable, detectable and beatable for all.

EBMT
The EBMT (European Society for Blood and Marrow Transplantation) is a community of healthcare professionals, involved in clinical blood and marrow transplantation and cellular therapy, who share their experiences and develop co-operative studies. The EBMT aims to be the connection between patients, researchers and other stakeholders to anticipate the future of cellular and stem cell-based therapies. They focus on innovation, research and the advancement of these fields to save and improve the lives of patients with blood-related disorders.

Australian Skin Cancer Foundation
Very active in Australia, the Australian Skin Cancer Foundation provides support, education, funds research and drives advocacy for melanoma and non-melanoma skin cancers.

HEALTH AND SAFETY

Tecan's main business activities are the research, design and development of our products, the final assembly of these at our production sites, and the related sales and service activities. Tecan markets products directly to end users, and as an original equipment manufacturer (OEM) Tecan also develops and manufactures OEM instruments, components and sub-modules. The products manufactured by Tecan are used in laboratories for life science research, in applied markets and in clinical diagnostics as well as in the medical area. The largest product group comprises laboratory automation platforms, benchtop instruments, as well as instrument components and sub modules. "Health and Safety" in this context refers to the working conditions Tecan provides, including the prevention of physical and mental harm to workers as well as the promotion of workers' health. It includes the effective management of health risks and issues and programs regarding occupational health and safety, and employee well-being.

Tecan has a Global Environment, Health and Safety (EHS) office reporting to the Executive Vice President, Operations. This office manages the environmental impact of Tecan's sites and the occupational health and safety of all stakeholders along the entire value chain, and is responsible for the implementation of Tecan's Global EHS policy, which can be found on tecan.com. This policy is supplemented by Tecan's Global EHS Management System which is based on ISO 14001 and ISO 45001 requirements. In 2023, Tecan's Männedorf headquarters were certified to these ISO standards. The management system sets the governance and provides a framework with detailed standard operating procedures (SOPs) such as EHS roles, responsibilities and authorities, risk assessment, emergency preparedness and response or internal audit program. This helps to prevent and mitigate systematically any danger and risk and to facilitate continuous improvement. The documents are stored in Tecan's internal documents management system (TMS), which is available to all employees.

The day-to-day implementation of the Global EHS policy is led by the local EHS Management Representatives. For the majority of Tecan manufacturing and development sites this is a EHS subject matter expert (SME). In other sites it is led by local site managers. Tecan at a minimum meets the legal health and safety standards in every location in which we operate. An ongoing global program is underway to ensure complete alignment of local implementation with the global standards and to bring additional benefits of best-practice and knowledge sharing. All Tecan employees (100%, 3573) and workers who are not employees but whose workplace is controlled by Tecan benefit from Tecan's approach to health and safety.

On an annual basis, risk assessments are carried out and/or reviewed by local SME to identify potential risks at the workplace, taking into consideration routine and non-routine activities, normal operating conditions, shutdown and startup conditions, and emergency conditions. Risk management activities are executed, coordinated and reported by employees with management function, with the involvement of a risk management team. In the event of special hazards, an EHS specialist with the necessary expertise must be consulted. The process follows the steps of risk identification, risk estimation, risk evaluation and risk control. Whenever possible, risk control measures consider the hierarchy of controls. Through this process, no work-related hazards that pose a risk of high-consequence injury have been identified. The assessments are reviewed regularly, in the event of any relevant change to the workplace, and after any incident in the area. Incidents in the form of work-related injuries and ill health are investigated by the sites and corrective measures to prevent recurrence are defined, implemented and their effectiveness reviewed by a team usually made up of the employee concerned, their line manager and the local safety officer. Relevant deviations are communicated in order to be able to learn from these and to raise employees' awareness.

Tecan encourages effective collaboration, consultation and active participation of employees for example in workplace risk assessment, continuous improvement activities, safety committee meetings, and training for emergency responses, thus leveraging their knowledge and experience to continuously further improve safety culture and performance. Should an unexpected health or safety situation arise, Tecan employees are encouraged to report this to their line manager or site EHS manager. In this same way, an employee could choose to remove themselves from a situation they felt could cause injury or ill health, without fear of reprisals. Anonymous reports can always be made via Tecan's whistleblower hotline, which is described in the Governance section of this report. In Tecan's 2023 global employee survey, 89% of respondents reported that "this is a physically safe place to work". The survey had a response rate of 92%.

Employee representatives, works councils and government agencies such as the Swiss Accident Insurance Fund (Suva) actively help to shape Tecan's local EHS measures, are involved in decision-making processes and, together with the organization, also evaluate the effectiveness of the measures taken. Works council and employee representatives are part of formal joint management-worker health and safety committees which according to global procedures have to meet at least once a year. These committees are chaired by the site manager and are used to monitor and discuss performance and deviations (e.g. incidents, non-conformities), and define tasks and measures. The committee has the authority to make site-relevant decisions regarding health and safety and the EHS management system.

EHS competence is key to embedding a Group-wide EHS culture and achieving EHS objectives. All employees and employees of third-party companies must be aware of their individual EHS responsibilities and their impact on everyday work. In addition, they will be effectively trained. The EHS trainings concept is based on the legal requirements and regulates what, who, when and how training takes place. This includes but is not limited to e.g. EHS induction training, EHS work place instructions, EHS processes. Refresher training is provided at regular intervals as required by law or at appropriate intervals.

In the first quarter of each year, the EHS management system is evaluated by the EHS office, which reviews EHS performance, deviations and lessons learned, risks and opportunities and the adequacy of resources, among other things. The results are shared and reviewed by Tecan's CEO and Management Board and actions are defined to ensure continued suitability, adequacy, and effectiveness of the management system.

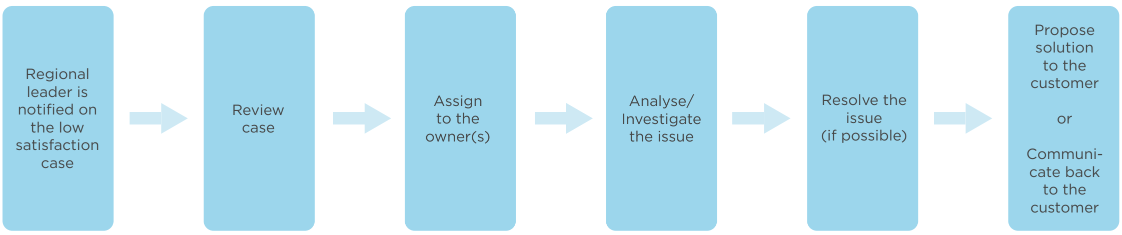
Quantifiable data relating to Tecan's Health and Safety performance is shared in the Data section of this report. Tecan's Health and Safety certification is shared on tecan.com.

CUSTOMER SATISFACTION

For Tecan, our customers and partners are at the core of all business activities. A satisfied customer base is an important cornerstone for Tecan's long-term growth and purpose of scaling healthcare innovation globally. Understanding what matters most to our customers and driving continuous improvements is essential to build trusted partnerships and ensure high satisfaction levels and loyalty to Tecan.

Regularly assessing customer satisfaction (CSAT) and customer loyalty is strongly embedded in Tecan's business practices. From a process perspective, CSAT is defined through a dedicated Standard Operation Procedure (internal document SOP 10400TMs02) as part of Tecan's After Sales Care process architecture. Furthermore, ambitious CSAT KPIs are defined as company-wide variable pay targets. The SOP describes different modalities for assessing CSAT, including relational as well transactional customer satisfaction surveys, which are conducted regularly and the results of which are analyzed and shared with the relevant stakeholders. The surveys show that the vast majority of customers are satisfied with Tecan's products and services, with the majority describing themselves as "very satisfied" or even "completely satisfied". These measures also have a high correlation with customer loyalty.

It is critical for Tecan that transactional CSAT results indicating low satisfaction scores are acted upon in a timely manner to mitigate possible business impacts immediately. Tecan's after installation CSAT process therefore provides concrete guidance for customer follow-up for low satisfaction cases.



In addition, longer-term process improvements are driven through the annual strategy deployment cycle reviewed quarterly by the Management Board. Tecan's commitment to high customer satisfaction is central to our customer promise and sustainable business growth, and Tecan has the tools and processes in place to govern these activities in a measurable way, with defined responsibilities, and with a clear visibility to the relevant stakeholders.

GOVERNANCE

Tecan's corporate values of trust, highest standards and ambition are the cornerstones of our business and provide the framework for Tecan's culture. Our customers, investors and other stakeholders trust Tecan to act responsibly and ethically as we meet our commitments to them, and our strong corporate governance processes ensures that this trust is honored. As well as reaching highest standards with our products, we work to provide reliable high-quality service to our stakeholders across all business areas, ensuring their data is secure, business risks are anticipated and proactively managed, and that any feedback provided is responded to appropriately.

GOVERNANCE AND ETHICS

Tecan's good governance and ethical practices are reflected in the Organizational Regulations and Tecan's Code of Conduct, available on tecan.com. Tecan's Code of Conduct is binding for all employees, managers and Board members. In this Code, Tecan undertakes to maintain the highest standards in its business activities and to respect ethical values. The Code of Conduct was drafted by Tecan's General Counsel in accordance with industry best practice standards. With the Code, Tecan aims to document internally and externally that the Company is a credible and reliable business partner and employer in all situations. The Code promotes compliance with standards on occupational health, safety and the environment, provides instructions on ensuring data protection and handling confidential information, and requires accurate and timely communication of information and careful logging of relevant meetings and processes by Tecan staff. The Code also stipulates compliance with competition law as well as national and international trade law for the import and export of products. It also includes a zero-tolerance policy toward bribery and corruption and guarantees anonymity for whistle-blowers.

Line managers are responsible for ensuring that all their staff know and understand the content of the Code of Conduct. The Code is available in English and German as well as seven other languages, including Spanish, Chinese and Japanese. By providing these different language versions, Tecan wishes to ensure that this important document is understood by employees all around the world. All employees globally must attend and successfully complete a training course on the Code when joining Tecan, and then every two years following. As of 31 December 2023, 96.6% of all employees who have access to the Learning Services Organization (LSO) learning platform, and 79.1% of all contractors at Tecan who have access to the LSO learning platform, had completed the Code of Conduct training. Just over 40% of Tecan employees have access to a learning platform that is separate to the LSO and carry out their Code of Conduct training there. Our training % data currently doesn't include these employees and we expect to have combined training data in future. For all employees, for more advice and guidance on the Code of Conduct employees are encouraged to discuss with their line manager, and concerns can be raised anonymously via the whistleblower hotline. Tecan's LSO use is tracked per individual, and managers verify that assigned trainings have been completed regularly and at a minimum prior to each employee's annual performance review discussion. Mapping of individual LSO training completion to each employee's employee category and region is not carried out due to capacity constraints and a preference to address this topic at the individual level.

Tecan has established several organizational control mechanisms with the aim of ensuring good governance and ethical behavior. The Internal Audit department has the task of periodically assessing the effectiveness of the internal control system. The internal control system consists of all organizational measures taken by the Company in order to maintain the effectiveness of its operations, protect the corporate resources, appropriately manage the risks and ensure compliance with laws and regulations, while always keeping a strong focus on the trustworthiness of the financial reporting. Internal Audit has the power to check and verify processes, systems, management activities, projects and contracts, acting as a supervisory body independent from operations and is reporting directly to the Audit Committee of the Board of Directors. In the year under review, the Audit Committee and Head of Internal Audit held several meetings. The Head of Internal Audit is a certified member of the Institute of Internal Auditors of Switzerland (SVIR), and the department is subject to the international standards for internal auditing.

Tecan has not been involved in any significant instances of non-compliance with laws and regulations during the reporting period, including legal cases, rulings or other events related to corruption, bribery, anti-competitive behavior, anti-trust, or monopoly practices. No fines or non-monetary sanctions were imposed on Tecan or paid by Tecan in 2023, and no contracts with business partners were terminated due to violations related to corruption.

Whistleblower hotline

Tecan employees and third parties can report possible events of misconduct via a third party-managed whistleblower hotline, accessible at tecan.com. This whistleblower hotline also functions as a channel for filing grievances. This dedicated mailbox and multi-language telephone hotline is run by EQS, a specialized provider of compliance solutions. Reports can be filed anonymously if preferred and all complaints are reviewed by Tecan's Compliance department, discussed with top management and addressed as necessary. The EQS platform ensures the highest standards of confidentiality and anonymity as well as a secure communication between the whistleblower and the members of the Compliance department of Tecan in charge of investigating the issues reported. Tecan updated internal procedures and training modules in order to take into account opportunities and obligations related to the whistleblowing reports delivered over the EQS tool.

Tecan received six reports via the whistleblower platform in 2023, which corresponded to six cases. Of these, four were investigated and are at varying stages of progress towards resolution. In two cases, there was no response by the complainant to the initial stages of Compliance follow up. All cases were reported by internal parties only.

Risk management process

To ensure sustainable corporate growth, it is crucial that any risks that could compromise this growth be recognized early on, assessed in terms of likelihood and consequences, and mitigated through an appropriate plan of measures. Tecan has a well-established global risk management process for this purpose with clearly defined roles and responsibilities at the Board of Directors, Management Board and other relevant leadership positions.

The process encompasses, among other factors, strategic risks, product risks, market and customer risks, occupational safety risks, risks relating to Tecan's social and environmental impact and risks associated with the impacts of climate change. It also focuses on political and economic developments as well as the possible impacts certain events may have on external partners such as customers or suppliers. Tecan continuously adjusts its risk management system in line with changes to the environment and takes current events into account in its risk assessment. Business continuity planning is designed to ensure Tecan's ability to withstand supply chain interruptions. The Board of Directors reviews annually whether the risk assessment of business activities is appropriate and whether it takes into account both internal and external changes. Where necessary, new measures to mitigate risk are implemented. Tecan's risk management system is also regularly audited by a key insurer, who attests to the instrument's high standard, enabling a premium reduction. Some of the company's employees hold risk management certification, so the company does not have to depend exclusively on external experts.

Anti-bribery and anti-corruption due diligence

Tecan carries out regular detailed screening of its distributors and has established a separate process with the TMS (Tecan Management System) directive Distributors and Intermediaries Anti Bribery Due Diligence for this purpose. In particular, the TMS directive requires that all Tecan distribution partners and their owners, directors and employees refrain from bribing representatives of governments or state-owned or private enterprises, or from taking bribes. It does not matter whether bribery is prohibited, tolerated or allowed in the countries in which business is being done. Bribes are prohibited irrespective of whether a bribe is connected to a specific act or omission or is granted or received with a general view to the future execution of duties. Bribes do not only involve cash payments but also mean, for instance, lavish gifts, hospitality and entertainment. Distributors and intermediaries need to ensure that their representatives and their sales force are trained and adhere to Tecan's standards of doing business. Tecan's Compliance department closely monitors the compliance of the business run through dealers and distributors. In particular, activity is focused on ensuring that all third party intermediaries explicitly commit to our Code of Conduct, demonstrate a sufficient understanding of it and pass background checks without issues of concerns (legal disputes, criminal investigations etc.). These steps are automated through the ethiXbase platform, which ensures a solid audit track of the checks performed. This platform allows a "real time" detection of unethical behaviors which may potentially have been reported regarding our dealers and distributors in the press or in the dedicated data banks.

Tecan annually assesses all operations for risk related to corruption (100%, 21 organizations – some smaller entities provided joint reports), and in 2023 identified no significant risk. Tecan only generates a smaller portion of its sales in countries with an increased risk of corruption according to the criteria of the organization Transparency International.

Data privacy

Tecan is committed to handling all information (including personal, technical and commercial information) which employees, customers and other stakeholders entrust to it with due care, in compliance with applicable laws and solely for the purposes for which the information was provided or generated. When processing personal information, Tecan pays particular attention to the principles of transparency, lawfulness, proportionality and accountability. Tecan's Data Protection Governance Structure includes a certified Group Data Protection Officer who directly reports to Tecan's Management Board. Data protection is also supported by an online, easily accessible Data Subject Request Portal through which data subjects can invoke the rights they enjoy under applicable data protection laws.

Tax Policy

Tecan's strict adherence to the Company's ethical code, respect for the environment, and full compliance to applicable laws and regulations in all the jurisdictions where Tecan operates applies also to the company's approach to taxation. This is set out in the Tax Principles, shared here and also available at tecan.com. The Tax Principles are owned by Tecan's CFO, who is responsible for ensuring compliance with these principles. Risks associated with tax are included in Tecan's risk management process, and concerns can be raised through the whistleblower hotline.

TECAN'S TAX PRINCIPLES 2023

Tecan is a leading global provider of laboratory instruments and solutions in biopharmaceuticals, forensics and clinical diagnostics. It is our mission to contribute to the quality of life of humankind by enabling our customers to make the world and our community a healthier and safer place. We live our core business values "Ambition", "Highest standards" and "Trust".

Our behavior is governed by strict adherence to our ethical code, respect for our environment, and full compliance to applicable laws and regulations in all the jurisdictions where we operate. This is no different when it comes to taxation, which is an integral element of our overall corporate social responsibility.

Our Tax Principles are in line with our core business values and are designed to support Tecan in delivering its strategic and sustainability ambitions.

Principle 1 Sustainability & Governance

Tax is a core part of Corporate Responsibility and Governance and is overseen by the Board of Directors (the "Board"). The Group's Tax Principles are in in line with the goals of the OECD/G20 Base Erosion and Profit Shifting project and with its core principles, coherence, substance and transparency as well as consider economic and social impacts.

The Board of Tecan yearly reviews the effectiveness of the Tax Principles and maintains a sound system of risk management and internal control. The Board is updated annually on tax risks and adherence to the Tax Principles.

Our Tax Principles are mandatory and apply to all the entities and employees of the Group.

Principle 2 Compliance

We comply with the tax legislation of the jurisdictions in which we operate, adhering to both, its letter and spirit, and pay the right amount of tax at the right time. All tax returns, claims, elections, disclosures, and payments shall be made accurately and on time.

The Tecan Group Transfer Pricing Policy is defined and implemented based on the internationally accepted arm's length principle, as described by the international tax conventions and by the OECD Guidelines, and as implemented in local rules and regulations. Transfer pricing methods follow a thorough analysis of the functions, risks and assets of the parties to the transaction.

To ensure that the Group complies with local tax laws in the jurisdictions in which it operates and that solid and responsible tax planning is undertaken, we seek for adequate personnel, resources, up-to-date expertise, training and systems, and develop tax awareness across Tecan functions and businesses. Regular trainings are provided to Tecan employees with respect to the relevant tax policies.

The Group Tax department under the responsibility of the CFO is managing the Group's tax risks. The Group Tax department ongoingly monitors and flags tax risks to the relevant party within the organizational structure. In addition, to mitigate tax compliance risks, Tecan has implemented standardized processes that regulate essential aspects of tax compliance. These processes identify the people and areas responsible for each phase of tax management and specify all activities to be carried out for the preparation of tax returns and self-assessments.

Due to their nature, tax matters can be very complicated especially in multi-jurisdictional contexts. Whenever there exists significant uncertainty around a tax issue, including different interpretations of the applicable law, Tecan will seek advice from external advisors and/or from tax authorities in all circumstances where such clarification is possible.

Tax risk control and tax-related reporting are supplemented by procedures and all tax accounting and compliance matters are subject to regular internal and external audits that assure the integrity and reliability of the accounting information used in tax processes.

Principle 3 Business structure driven by commercial considerations
Our business structure is driven by commercial considerations, is aligned with business activity and has genuine substance.

Our tax planning is based on reasonable, solid interpretations of applicable law and is aligned with the substance of the economic and commercial activity of our business. We do not use tax havens or opaque corporate structures to hide or reduce the transparency of our activities.

Our Tax Principles extend to our relationships with employees, customers and suppliers. We do not engage in arrangements whose sole purpose is to create a tax benefit.

Principle 4 Constructive and Professional Relationships with Tax Authorities
It is the Group's aim to maintain constructive and professional relationships with local tax authorities, based on mutual respect, transparency and trust.

We are open and transparent with tax authorities, responding to relevant tax authority enquiries in a straightforward and timely manner to assist in the evaluation of tax liability. Our tax strategy is continuously aligned with instructions, regulations, and guidance of tax authorities.

Where there are misunderstandings of fact or law, we will seek to work with tax authorities, where possible, to identify the issues and explore options to resolve those misunderstandings or disagreements.

We will not bribe or otherwise induce tax officials, government officials or ministers with the aim of obtaining more beneficial outcomes with respect to tax matters.

Principle 5 Transparency
We strive for a regular information to our stakeholders, including investors, employees, civil society and the general public, about our approach to tax and taxes paid. This includes:
- We make our tax strategy public, including details of governance arrangements and our approach to dealing with tax authorities.
- An overview of our group structure and a list of all entities, with ownership information and a brief explanation of the type and geographic scope of activities.
- Annual information that explains our overall effective tax rate, together with information on our economic activity.
- Information on financially-material tax incentives where appropriate, including an outline of the incentive requirements and when it expires.

Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards such as IFRS Accountig Standards. Tecan files yearly Country-by-Country Reports with the relevant tax authorities, which are exchanged with tax authorities in other jurisdictions based on international agreements.

PRODUCT QUALITY AND SAFETY

Tecan's main business activities are the research, design and development of our products, the final assembly of these at our production sites, and the related sales and service activities. Tecan markets products directly to end users and as an original equipment manufacturer (OEM). The products manufactured by Tecan are used in laboratories for life science research, applied markets, clinical diagnostics, and medical devices. The largest product group comprises laboratory automation platforms, benchtop instruments, as well as instrument components and sub-modules. Customers depend on Tecan to produce solutions that facilitate reliable, reproducible results. As a business-to-business rather than business-to-patient company, Tecan does not handle patient data or clinical samples. Nonetheless, we never lose sight of the potential human impact at the end of the chain of activities we are a part of. Tecan's products are serving regulated applications and markets, yet it is important to Tecan to go beyond legal requirements and strive for excellence in product quality and safety. This has been one of Tecan's core competences since the company's founding, more than 40 years ago. The company's values: ambition, trust and highest standards, are embodied by Tecan's central Quality and Regulatory organization (QARA). Tecan's approach to product development is characterized by a deep understanding of quality and regulatory requirements globally. QARA colleagues collaborate with customers from an early stage, supporting the product development process in a series of structured stages that span the product's entire life cycle, up to the point where it is withdrawn from the market. Tecan's commitment to quality is described at tecan.com, with the Quality and Regulatory Solutions brochure at this link setting out the expertise that enables Tecan to build regulatory requirements into a product order and ensure optimal product quality. Our work in this area is governed by the Tecan Group Quality Policy and the supporting document Additional Quality Objectives. These internal documents are stored in the TMS, Tecan's internal document management system, and accessible to all employees.

Tecan facilities are subject to a number of audits conducted by regulatory authorities, testing, monitoring and certification agencies, customers, and Tecan's own specialist teams. These experts inspect whether Tecan's facilities comply with country-specific regulations and the company's internal standards for product and occupational safety, as well as health and environmental protection. These inspections also cover measures that Tecan has to implement if it fails to meet any requirements.

Tecan participates in the Medical Device Single Audit Program (MDSAP), which sets out a catalog of requirements for manufacturers of medical devices, drawn up by several participating countries. MDSAP aims to ensure that standardized audits are performed, in addition to covering all country-specific regulatory requirements. Thus, manufacturers of medical devices can gain access to several markets by means of a single audit. All (100%) of the Tecan production sites eligible to participate in MDSAP maintained certification in 2023.

Regulatory requirements are continually evolving globally. To ensure these requirements are understood and implemented correctly, Tecan maintains a robust program of regulatory intelligence monitoring. Through this program Tecan identifies new and upcoming drafts of regulations, participates in industry forums and on regulatory committees, and is an early adopter of new regulatory requirements affecting Tecan product lines.

Another focal point in Tecan's regulatory efforts is supporting customers in the Partnering Business by making key documentation available for authorization applications for new diagnostic products. Furthermore, Tecan builds strong, regulatory partnerships in order to guarantee successful marketing throughout entire product life cycles.

In addition, Tecan continues to be an early adopter of new or revised standards to ensure our own product lines and OEM partners remain compliant.

The Tecan parent company and all production sites are ISO 13485:2016 and ISO 9001:2015 certified, all sales subsidiaries operate under certified quality systems including ISO 13485:2016 and in many cases also ISO 9001:2016. Tecan QARA teams are continuing initiatives to address scalability of the Quality Management System based on scope of business at each Tecan entity and to harmonize processes for the digital age where appropriate. Tecan is well positioned to be ready for FDA's recognition of ISO 13485:2016 as the accepted quality system standard for medical device companies. Tecan wants to ensure that all market units worldwide work according to the same processes and strive together to continuously improve their products and services. The matrix certificate also accommodates the current and future Group structure with an increasing number of subsidiaries. This method of coordinated certification has benefits for customers and Tecan alike: greater transparency; the possibility to systematically monitor processes worldwide; and harmonized, standardized systems that also accommodate differences in the markets. Tecan's quality system strategy positions the company well to serve a diverse geographic customer base.

Tecan follows a controlled process for product information and labeling that is mandatory for meeting a number of regulations and is described in the internal documents Global Product Labeling SOP and Development of APL Material. These documents do not include information about sourcing of product components. The Global Product Labeling SOP does include:

- Internationally recognized hazard standards/symbols
- Required regulatory information based on product type and areas of commercialization
- Instructions for safe use of the product
- Proper disposal of the product

Tecan also has a post-market surveillance process that monitors and responds to input from regulatory bodies and any customer complaints or inquiries received. This is set out in the internal documents Customer Support: Helpdesk/Expertline and Complaint Handling Process SOPs.

QARA teams throughout Tecan ensure that the Global Labeling and Advertising SOPs and the post-market surveillance process are being adhered to in all (100%) cases. Customer concerns or questions regarding product information and labeling can also be addressed through customer sales contacts, Tecan's customer services, or Tecan's whistleblower hotline regarding environmental protection, handling of hazardous materials and their disposal, or endangering the health and safety of other persons.

In 2023, no such complaints were made to the whistleblower hotline and there were no incidences of non-compliance with the Global Labeling SOP. The post-market surveillance process functioned as intended: Tecan detected and voluntarily issued corrections to one product label in accordance with these post market procedures. In 2023, no incidents of non-compliance with regulations concerning the health and safety impacts of products and services were identified.

Tecan's QARA team is organized at Group level to ensure ongoing improvements based on changes in regulations worldwide and monitoring of product quality, and for addressing customer complaints. The Company performs a global management review every year in which relevant data from all Group companies are reviewed centrally. The process assesses whether quality management is still optimized and effective to the legal requirements and regulations for the products and services supplied by Tecan. Tecan undertakes this review with regard to the individual national markets as well as from a Group-level perspective, in this way, progress is evaluated.

CYBERSECURITY

Impact

By prioritizing the security and privacy of data, organizations can enhance trust, protect sensitive information, and maintain a secure operating environment. Cybersecurity is a material topic for Tecan, and includes implementing measures to ensure the confidentiality, integrity, and availability of data (e.g., customer and employee data), and protecting this data from unauthorized access, use, or disclosure. Some of Tecan's customers use certain products for purposes that entail the processing of personal data and protected health information. Tecan's services do not have the primary business purpose of processing such data on behalf of its customers, nevertheless, Tecan may incidentally and unintentionally be exposed to such data. Tecan has processes and safeguards in place that address and mitigate the risks for the data subjects concerned in such instances.

Tecan embeds cybersecurity in its product development processes and business operations. Expert teams systematically manage information security and related risks throughout and coordinate, as needed, with Tecan's Group Data Privacy Officer.

Awareness

A key aspect of Tecan's cybersecurity strategy is raising awareness amongst all employees of the significance of a cybersecure environment. The foundation of a robust Tecan cybersecurity posture begins with educating our employees about potential cyber threats and the best practices to mitigate them. This is a critical element in protecting individuals and safeguarding digital assets of

Tecan. We train employees to recognize and respond appropriately to various forms of cyber threats, such as phishing, ransomware, and social engineering attacks. Regular and engaging training sessions are conducted to ensure that employees are up to date with the latest cybersecurity trends and tactics used by cybercriminals.

We know that despite the best preventive measures, cyber incidents may still occur. To address this, Tecan has a well-defined incident response plan in place. This plan outlines the steps to be taken in the event of a cyber incident, including how to contain the breach, assess and mitigate the damage, and notify affected parties. Dedicated employees prepare to respond to such emergencies by participating in table-top exercises (simulations of cyberattacks and incidents that allow participants to practice in "real time" and familiarize themselves with their roles and responsibilities during a real cyberattack). A clear and practiced response plan helps us to minimize the impact of a cyber incident and expedite the recovery process.

Policies and ISO 27001

In the realm of cybersecurity, the implementation and adherence to robust policies and standards are fundamental to an organization's security infrastructure. These serve as guiding principles and procedures to protect against cyber threats and ensure the integrity, confidentiality, and availability of data. A key component of these policies and standards is alignment with internationally recognized frameworks such as ISO 27001. ISO 27001 is a globally acknowledged standard for information security management systems (ISMS). It provides a systematic and well-structured framework that assists Tecan in protecting and managing our information through effective risk management. Currently, Tecan is in the process of achieving compliance with ISO 27001, demonstrating a commitment to maintaining a secure and efficient ISMS. Tecan's cybersecurity policies and standards are meticulously crafted to align with ISO 27001 guidelines. This alignment not only enhances our cybersecurity posture but also instills confidence amongst stakeholders regarding the safeguarding of sensitive data and information systems.

Data Privacy, Data Protection

Tecan is committed to upholding the highest standards of privacy and data protection. In line with this commitment, Tecan embraces the principles of data protection laws such as the European Union's General Data Protection Regulation (GDPR), which represents a significant milestone in data protection laws. The GDPR sets forth rigorous guidelines and practices for the handling of personal data, ensuring the privacy and security of individuals within the European Union and the European Economic Area.

Tecan has a Group Data Protection Officer (GDPO) to ensure accountability. The GDPO oversees our data protection strategy and compliance with GDPR requirements. The appointment of the GDPO underscores Tecan's dedication to privacy and data protection. We continuously strive to maintain the highest level of data integrity and security, ensuring that our data handling practices not only comply with data protection laws but also align with the best practices in data protection.

Data governance for AI, guideline

Looking ahead, Tecan is actively embracing the potential of future technologies, with a particular focus on Artificial Intelligence (AI). As we venture into this innovative domain, our approach is holistic, encompassing every aspect from governance to practical application. As we develop and deploy AI technologies, we keep ethical considerations and regulatory compliance front of mind. This includes establishing clear guidelines for AI usage, addressing issues such as data privacy, bias mitigation, and transparency in AI decision-making processes. At Tecan, we are excited about the future of AI and its transformative potential. Our approach is guided by a commitment to responsible innovation, ensuring that as we harness the power of AI, we do so with a focus on creating value for our customers and society at large.

IT at Tecan

Information systems and technology are always in focus of potential cyber security events. Not only large enterprises, but increasingly also small and medium-sized companies can be targeted by actors aiming to compromise cybersecurity. Tecan Global IT runs a solid enterprise application landscape with focus on an SAP core platform which integrates sales, customer service, production and the entire financial area in one platform and harmonizes processes. This platform also forms the basis for a "business intelligence reporting suite" with integrated planning modules, for instance for human resources or the budget process. A continuous lifecycle for updates ensures that Tecan always has the latest software versions, thus limiting outages and helping avoid large-scale, expensive update processes with long test phases.

In the financial area, an IT-based control system automatically recognizes and flags potential areas of conflict with regards to employees entrusted with a range of duties, which when combined could result in a risk of manipulation. Tecan also uses an internal, self-managed treasury system, executes all money transfers for all Group companies centrally, and manages their cash reserves. This has enabled Tecan to optimize the number of banks it uses in connection with its business activities, and transfer cash reserves to banks at lower risk of failure. The treasury system has also improved short-term financial planning and ensured an interest rate benefit compared with decentralized management.

All main IT infrastructure services offered by the group worldwide are outsourced and hosted to servers of an external service provider. The data is backed up redundantly, and the data centers are physically separated from one another and from the production sites. This enables Tecan to minimize the risk of critical data loss and increase data security. Global IT support is also available for Tecan sites in all regions, thereby reducing outages.

Tecan carries out regular cybersecurity audits, and related training is mandatory for all Tecan employees, with employees in key roles or demonstrating need receiving additional training. In 2023, 96.8% of all employees with access to the Learning Services Organization (LSO) platform and 80.8% of all contractors with access to the LSO platform at Tecan completed Cybersecurity training. Just over 40% of Tecan employees have access to a learning platform that is separate to the LSO and carry out their Cybersecurity training there. Our training % data currently doesn't include these employees and we expect to have combined training data in future. The success rate of phishing simulations is tracked and forms the basis for follow-up where needed. This rate was satisfactory for Tecan in 2023 and is not disclosed as to do so is considered to be more likely to detract from rather than enhance Tecan's cybersecurity efforts.

Relevance to Tecan's products

Tecan continues to emphasize the importance of product security to ensure that customer use of Tecan products within a connected environment is not compromised and does not pose a security risk to end-user infrastructures. As the importance and benefits of global connectivity and open digital ecosystems become more widely appreciated, equally important is to develop secure digital offerings.

A Secure Software Development Lifecycle (SSDLC) process is essential so that security considerations and requirements are introduced early on in product development and evaluated and maintained throughout the product lifetime.

Tecan has identified IEC 81001-5-1: Health software and health IT systems safety, effectiveness and security Part 5-1: Security Activities in the product life cycle as a state-of-the-art framework to ensure proper secure design of products. A gap analysis of the process requirements within 81001-5-1 has been conducted within 2023 and action items are identified to evaluate gaps where required. Of note within 81001-5-1 important techniques such as threat modeling, security risk assessment, penetration testing and vulnerability management will be further refined at Tecan and utilized in product development and maintenance. Respective measures and evidence will be part of milestone documentation and templates.

Tecan's existing Cybersecurity Information Standard Operating Procedure, stored in Tecan's internal document management system (TMS), is being enhanced to further align with 81001-5-1 requirements and best practices. Additionally, the security risk management process will continually evaluate security risks at a product level to determine if there are changes within the security risk profile of Tecan products. Processes utilized for secure design and maintenance are also subject to authority, certification body and/or internal audit review. To date there has been no reported exploit of a Tecan product which represents a serious incident.

Tecan's vulnerability management process will continue to monitor products for potential exploitability and is closely linked to remediation actions and improvements to further harden product's security. In addition to process enhancements to meet IEC 81001-5-1 requirements Tecan is conducting a portfolio evaluation and will determine a product transition plan for existing products to become compliant with IEC 81001-5-1 as applicable. Product user information will continue to be enhanced to inform users how to setup Tecan products securely. Ongoing evaluation of new regional security regulations such as NIS2 are incorporated into the process accordingly.

INNOVATION

Tecan recognizes the importance of innovation to our long-term business success. In this context, "innovation" refers to product and service innovation, from improvements to disruptive or breakthrough innovations. This includes the R&D (research and development) activities undertaken to innovate products and services, as well as business model adaptations that might better satisfy customer needs and / or be aligned with sustainability challenges.

Innovation is an area in which Tecan stands out, particularly with regards to software development. Tecan has created a software architecture that allows us to cater to customer needs across a range of application areas, reflecting our unique end-to-end "from research to the clinic" product capabilities. Our software offering is modular, able to span a breadth of usage from industrial large-scale workflow hardware solutions to smaller benchtop solutions, closer to the direct patient environment. This modularity aspect of both hardware and software gives us the opportunity to use a common R&D and operational footprint in many different application areas, covering both the Life Sciences Businesss and the Partnering Business world.

Tecan is able to develop digital solutions that cater not just to research needs but also to the regulated IVD markets. A number of products have been commercialized in the areas of service and the management of whole fleets of instruments, and our most recent offering is a complete new suite of software solutions for lab orchestration. Tecan is offering software solutions to boost personnel and equipment effectiveness by orchestrating the entire lab workflow, including hardware and configurations in these labs that are not necessarily coming from Tecan. An open ecosystem is being created that will allow Tecan to be front and center of application method development, for example for research and pharma labs, as these look to increase efficiencies. This innovative offering is something Tecan will be able to further build on over time.

In 2023, Tecan's grassroots innovation programs continued: the Time-boxed Innovations program, initiated in 2014, included 13 new approved ideas and was able to pursue two concepts for active use. The Dream Big initiative, launched in September 2022, received almost 300 entries covering virtually all areas of Tecan's strategic focus, including sustainability, culture, customer satisfaction and technical innovation. Ideas were submitted from every part of Tecan and all geographical locations, and winners announced in July 2023, with several projects chosen for in-depth follow-ups.

In October 2023, Tecan held its first hackathon, fusing the intensity of a brainstorming session, the dedication of a coding marathon and the spirit of innovation, bringing together the brightest coders from R&D. The primary goal of the hackathon was to foster collaboration among R&D teams and ignite their creativity, free from the constraints of daily routine. Seven teams were formed and worked together for three days, with the winning idea focused on the coordination of robotic arms and notable mentions in the areas of Fluent® tutorials and a development helper tool. The event was a resounding success, generating great enthusiasm for future sessions.

Tecan's R&D development process was previously improved by integrating sustainability topics into existing stages such as the milestones review meetings, which is where project alignment with Tecan's sustainability strategy is described. This alignment includes consideration of opportunities to design out waste, specify the use of materials with recycled content, and adopt lower impact packaging. Eco-design concepts and the importance of R&D in advancing Tecan's sustainability strategy were topics at the all-R&D Townhall in October 2023, and examples of the alignment of projects with the sustainability strategy were also presented and discussed.

Tecan's approach to innovation is reflected in successful product launches, with a key example from 2023 being the Phase Separator. The Phase Separator is a unique module with advanced sensor handling to detect the interface between plasma, immune cells and erythrocytes of human and animal blood. This is a growing demand of workflows like cell free DNA sequencing used in Liquid Biopsy to advance e.g. cancer diagnosis procedures and tissue transplantation. It is also applicable in fields such as separating the organic solvent phase in sample prep for mass spectrometry workflows.

Protecting our intellectual property is of importance in ensuring that the development of new products and technologies gives Tecan a sustainable advantage in the market. Tecan registers patents on relevant developments for the most important markets in a timely manner and has several hundred patents in various patent families. In 2023, Tecan filed 18 patent applications on new inventions; one utility model patent, and one Design patent. Tecan was granted in 2023 105 individual patents and five design patents (same design in different countries). An overview of the various patents has been published on Tecan's website.

In 2023, Tecan developed an internal guideline to support colleagues in their responsible use of AI tools. "Innovation" at Tecan is not governed by a stand-alone policy, and the goals, targets and indicators used to track process in this area are embedded in the wider R&D processes. The effectiveness of Tecan's approach to R&D is tracked internally, and lessons learned are incorporated into Tecan's procedures. This information is not shared externally, for reasons of business confidentiality.

In January 2024, Tecan established a Digital Innovation & Transformation Office, to expand our successful digital strategy in close collaboration with all relevant functions and stakeholders. Co-led by two newly created roles reporting directly to the CEO, VP Digital Innovation and VP Digital Transformation, this strengthening of leadership in digital competency demonstrates that Tecan's ambition goes beyond keeping pace: we aim to lead the change in this fast-moving domain and ensure that potential is turned into impact in innovative growth products as well as substantial improvement of business processes.

RESPONSIBLE SOURCING

Tecan's main business activities are the research, design and development of our products, the final assembly of these at our production sites, and our related sales and service activities. Tecan manufactures products that are used in laboratories for life science research, in applied markets and in clinical diagnostics as well as in the medical area. The largest product group comprises laboratory automation platforms, benchtop instruments, as well as instrument components and sub-modules. Our products add value to society, and as described in the Social Impact section of this report, we also add value in our role as an employer. In 2023, Tecan took steps to ensure that we have positive impacts, and avoid any negative impacts, through our supply chain. Tecan's Human Rights and Responsible Business Practices policy reiterates our commitment to the principles of the United Nations Global Compact (UNGC), including the protection of internationally proclaimed human rights, the elimination of all forms of forced and compulsory labor, and the effective abolition of child labor. Potential negative impacts in the supply chain include breaches of the UNGC principles, either by Tecan suppliers or stakeholders our suppliers work with. This policy is available on tecan.com and is maintained by Tecan's Executive Vice President of Operations. In 2023, 91.9% of all employees with access to the Learning Services Organization (LSO) platform at Tecan and 51.2% of all contractors with access to the LSO platform at Tecan had completed the Human Rights and Responsible Business Practices policy training, to ensure they are aware of the purpose, content and requirements of this policy. Approximately 60% of Tecan's employees globally had access to the LSO platform in 2023, and global learning system is anticipated in future. Employees without access to the LSO platform carry out trainings that have been reflected in the "training hours" data reported in the Social Impact section of this report.

Tecan products tend to be associated with specific Tecan production sites, and the sourcing for those sites is led by the site manager. In spending terms, between 60% and 80% of Tecan's purchase volume is typically sourced in the same region as the production site. As well as facilitating the development of trusted business relationships, this proximity enables Tecan to better manage cost efficiency, inventory needs, just-in-time delivery, freight cost, and quality aspects.

In 2023, establishment of Tecan's Responsible Sourcing program was completed and the related policy was published on tecan.com. The policy is supplemented by a detailed Standard Operating Procedure (SOP) found in Tecan's internal document management system, the TMS (Tecan Management System). The steps of the Responsible Sourcing program are illustrated in the diagram here and described further below.

The aim of the Program is to ensure Tecan sources products and services from suppliers who adhere to internationally recognized ethical standards, and to avoid suppliers who engage in practices that are harmful to people or the planet. The policy sets out how Tecan works to create a more responsible and sustainable supply chain that promotes social and environmental responsibility throughout the value chain. The process and instruments of the policy are as follows:

Supplier Qualification

The environmental, social and governance practices of prospective suppliers are now assessed along with factors such as supplier's production capabilities and quality management processes, in one comprehensive qualification process. This assessment includes evaluating the supplier's management of environmental, social and governance risks in their own supply chain, thereby capturing all upstream economic operators. This includes assessment of the risk of conflict minerals or child labor throughout the supply chain. The sustainability practices of current suppliers are also being evaluated via a requalification process, using the same standards as the qualification process. In both processes an initial risk screening is carried out using a third party tool. Suppliers are asked to share documents such as their own Supplier Code of Conduct, and to outline their procedures for managing environmental, social and governance risks associated with their supply chain and with their suppliers' and subcontractors' practices. Supplier qualification and requalification are not complete until the supplier has been approved by Tecan's Responsible Sourcing Manager.

Supplier Code of Conduct

Our Supplier Code of Conduct outlines the minimum standards we expect suppliers to meet in areas including human rights, labor practices, and environmental impact. Tecan seeks to only work with suppliers that meet or exceed the standards set out in our Supplier Code of Conduct. All new suppliers are requested to sign Tecan's Supplier Code of Conduct as part of the supplier qualification process. Current suppliers are requested to sign the Supplier Code of Conduct as part of requalification.

Risk Assessment

A risk assessment screening of suppliers is carried out by performing a thorough due diligence to identify potential environmental, social and governance risks within the value chain, including risks relating to bribery and corruption, human rights, labor standards, child labor, environmental impact, and risks associated with conflict mineral import and processing. The assessment takes into consideration several factors including geographical location, industry sector, and supplier significance to Tecan. The assessment may include asking suppliers to provide additional corporate information and documentation demonstrating their environmental, social and governance practices.

Supplier Evaluation

Following the initial risk assessment, suppliers presenting a higher potential risk of inadequate environmental, social and governance practices are asked to provide additional information about their compliance with applicable laws and regulations, labor practices, environmental performance, and adherence to international standards and guidelines. Supporting evidence may also be requested, including ISO certifications and ratings such as that provided by EcoVadis. It is at this stage that on-site visits to suppliers would be most likely, followed by external audits if necessary. Tecan may conduct audits, assessments, or third-party verifications of our suppliers to evaluate their compliance with our Supplier Code of Conduct. Depending on the results of these steps, Tecan may require a supplier to improve their practices, or might decide not to work with the supplier.

Remediation and Continuous Improvement

If any non-compliance or potential risks are identified through the risk assessment, supplier evaluation process or audits, including the risk of conflict minerals or child labor in the supply chain, Tecan may work with suppliers to develop and implement corrective action plans. We support their efforts to remedy any issues and promote continuous improvement in areas such as human rights, labor practices, and environmental sustainability by offering guidance and training. If a supplier does not improve their practices, Tecan is likely to terminate the supplier relationship. Tecan's Responsible Sourcing program includes an escalation process to address cases in which a decision to terminate a supplier relationship could impact business continuity. This process includes stages culminating, if necessary, with a final review and decision by the appropriate Management Board Business Lead, Head of Operations, and Chief Technology Officer.

Stakeholder Engagement

Any stakeholder seeking to report issues relating to Tecan's Responsible Sourcing policy or any breach of the standards set out in Tecan's Code of Conduct can do so via Tecan's whistleblower hotline, accessible at tecan.com. This dedicated hotline ensures the highest standards of confidentiality and anonymity as well as a secure communication between the whistleblower and appointed specialized members of Tecan in charge of investigating and processing the issues reported.

Transparency and Reporting

Tecan is committed to transparency and reporting on our Responsible Sourcing activities. We communicate our progress and challenges in managing supply chain risks to relevant stakeholders, including employees, customers, and investors, in our Annual Report.

Impact of Tecan's Responsible Sourcing program

The Data Section of this report includes the results of Tecan's Responsible Sourcing program. The program includes assessing the risk of conflict minerals or child labor issues in Tecan's supply chain. In 2023, particular focus was given to conflict minerals and child labor in accordance with the Swiss supply chain legislation (DDTrO). Through this assessment it was determined that Tecan does not import into Switzerland or treat in Switzerland materials that fall within the scope of this legislation. Child labor risk is included in the steps of the program described above.

DATA

In the previous sections of the Sustainability Report, Tecan's management of material topics is described. The management of material topics generates data that can indicate if a revised approach or new business activities are needed: the data is used in business decisions. For material topics that generate a significant amount of data, such as management of environmental impact and Tecan's role as an employer, the data related to these topics is shared here.

ENVIRONMENTAL DATA

Tecan calculates greenhouse gas emissions annually and aims to calculate scope 1 and scope 2 emissions and certain scope 3 emissions quarterly in future, once the data collection and management system to facilitate this is in place. Energy consumption, water use and waste data are also tracked annually, and increased frequency of collection of this data is being evaluated in 2024. An additional metric used to track progress towards our overall aim of emissions reduction is the collection of supplier environmental data. As the baseline year, 2022 was chosen for reasons of total global footprint data availability and quality.

Progress towards Tecan's greenhouse gas emissions reduction target is currently measured annually through the footprint calculation exercise. Progress towards being able to make this calculation more frequently than annually is measured and reported on internally quarterly, when the Management Board receives updates on the progress of the implementation of new a data collection and management system, as well as on the progress and results of Tecan's Responsible Sourcing program.

Tecan's greenhouse gas emissions decreased overall in 2023. This is attributable to factors including:
- A small reduction in materials purchased and products sold;
- Successful implementation of reduction in the distance products are shipped;
- More specific data regarding use of sold products, enabling lower-emissions energy use to be assigned to a greater number of sold products.

Emissions due to business travel, driving and scope 1 energy use increased, and all areas present opportunities for emissions reduction in the near term.

Tecan will continue to pursue the emissions reduction and environmental management activities described in the Climate Impact section of this report.

	2023			2022 (limited footprint)	2021 (limited footprint)
	Consumption	GJ	(tCO_2e)	(tCO_2e)	(tCO_2e)
Scope 1: Direct energy use per primary source			**1,994**	**1,729.78**	**613.69**
Stationary combustion			936	952.60	383.28
Diesel (liters)	159.00	6.01	0.42	0.89	-
Natural gas (KWh)	4,062,595.60	16296.78	807	823.48	383.28
Propane (liters)	479,266.20	12444.62	128	128.23	-
Mobile combustion			911	671.30	154.91
Diesel (liters)	143,365.20	5421.92	381	300.35	77.37
Petrol (liters)	226,135.40	7703.07	529	370.95	77.54
LPG (liters)	350.0	9.17	1	-	-
Fugitive Emissions: Refrigerants (kg)	101.00		147	105.88	75.50

	2023			2022 (limited footprint)	2021 (limited footprint)
	Consumption	GJ	(tCO_2e)	(tCO_2e)	(tCO_2e)
Scope 2: Indirect energy use per primary source			**3,877**	**6,574.92**	**696.46**
Electricity (KWh)					
Grid (KWh)	7,285,077.00	26,226.28	3,796	6,481.52	527.26
Renewable (KWh)	11,012,898.40	39,646.43	-	-	-
Electric vehicles (KWh)	23,460.00	84.46	6	-	-
District cooling (KWh)	51,000.00	183.60	1	-	-
District heating (KWh)	659,962.30	2,375.86	74	93.40	169.20
Energy (GJ) total		110,398.20			
Emission intensity (scope 1 + 2 emissions in tCO_2e/turnover in CHF million)			5.46	7.26	1.38
Total Scope 1+2 (tCO_2e)			**5871**	**8,304.7**	**1,310.15**
Scope 3: Other indirect emissions			**432,326**	**474,048**	**2,770.13**
Business travel (all sites)			7,372	5,676.00*	1,882.17
Accommodation (nights)			492	788.00	-
Air travel (pkm)			6,363	3,587.00	1,882.17
Ground travel (km)			373	1,160.00	-
Purchased goods and services			202,852	205,009.00*	18.15
Employee commuting and teleworking			2,476	2,051.00	393.05
Waste generated in operations (tonnes)			275	239.00	78.28
Fuel and energy related activities			1,843	1,921.00	398.48
TOTAL Scope 1+2+3 (tCO_2e)			**438,197**	**482,352.00***	**4,080.29**

* 2022 Results have been restated in light of updated spend-based factors available. Therefore, 2022 results in this table do not match the numbers in the 2022 Tecan Annual Report. This restatement lowered Tecan's overall footprint by less than 5%.

Emissions are calculated in accordance with the Greenhouse Gas protocol and represented in tCO_2e. There are no biogenic CO_2 emissions. GWP (global warming potential) used is from the IPCC Report 2014 AR5, emissions factors used are mainly DEFRA BEIS 2023, IEA 2023 and CEDA 6 2023. The scope 2 data in the table above is market-based. The emissions consolidation approach used is operational control.

Calculations are based on activity so far as possible and otherwise on spend data. Spend data was either converted into activity data through estimations or directly calculated through spend-based emission factors. Any data gaps were filled through extrapolations based on averages per either number of full-time employees or square meters surface.

In 2022, scope 3(15) emissions were not reported as the amount, 1.64 tCO_2e, was deemed immaterial to Tecan's total global footprint. There are no scope 3(15) emissions in Tecan's 2023 footprint. In 2023, no steam was consumed or sold and no electricity, heating or cooling was sold.

Location-based approach

Scope	GHG Category	2023 (tCO_2e)	2022 (tCO_2e)
Scope 2		**7,178.16**	**7,178.12**
Scope 2	Electricity: Grid	3,768.84	6,019.33
Scope 2	Electricity: Renewable	3,330.43	1,065.39
Scope 2	Electricity: Electric Vehicles	3.72	-
Scope 2	Cooling	1.07	-
Scope 2	Heating	74.10	93.40
Scope 3			
Scope 3	Fuel and energy related activities	2,369.70	5,148.73

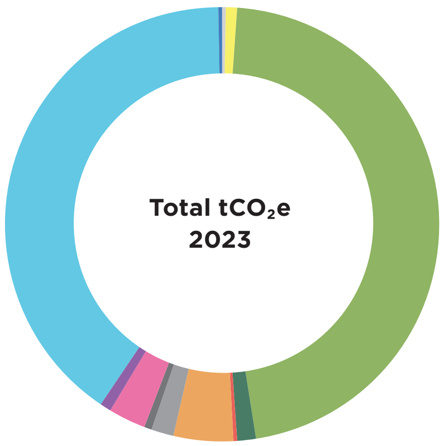
Water and waste data

	2023		2022	
	Amount	(tCO_2e)	Amount	(tCO_2e)
Waste generated in operations (tons)				
Incineration	79.40	48	103.09	54
Incineration hazardous	54.06	49	8.82	22
Landfill	316.40	160	263.08	120
Landfill hazardous	-	-	16.33	3
Recycling	383.56	6	289.25	6
Unspecified	-	-	18.81	9
Unspecified hazardous	-	-	2.43	6
Radioactive treatment	-	-	0.29	-
Composting	31.40	0	-	-
Water (m^3)	61,987.77	12	70,725.41	19

Waste is monitored and managed locally and waste data is collected from local site managers by Tecan's Global Head of EHS (Environment, Health and Safety).

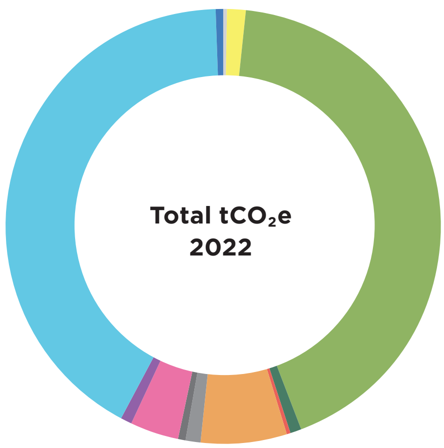
Total tCO_2e 2023

Scope	**tCO_2e**
1	1,994
2	3,877
3.1 - Purchased goods and services	202,852
3.2 - Capital goods	5,634
3.3 - Fuel- and energy-related activities	1,843
3.4 - Upstream transportation and distribution	18,895
3.5 - Waste generated in operations	275
3.6 - Business travel	7,372
3.7 - Employee commuting	2,476
3.9 - Downstream transportation and distribution	12,597
3.10 - Processing of sold products	3,101
3.11 - Use of sold products	176,920
3.12 - End-of-life treatment of sold products	345
3.13 - Downstream leased assets	15
Total	**438,197**



Total tCO_2e 2022

Scope	**tCO_2e**
1	1,730
2	6,575
3.1 - Purchased goods and services	205,009*
3.2 - Capital goods	3,812*
3.3 - Fuel- and energy-related activities	1,921
3.4 - Upstream transportation and distribution	30,785
3.5 - Waste generated in operations	239
3.6 - Business travel	5,676*
3.7 - Employee commuting	2,051
3.9 - Downstream transportation and distribution	18,200
3.10 - Processing of sold products	3,103
3.11 - Use of sold products	201,898
3.12 - End-of-life treatment of sold products	1,353
Total	**482,352***



Calculated in accordance with the Greenhouse Gas Protocol

* 2022 results have been restated in light of updated spend-based factors available. Therefore, 2022 results in this table do not match the numbers in the 2022 Tecan Annual Report. This restatement lowered Tecan's overall footprint by less than 5%.

SOCIAL IMPACT DATA

Employee Data

This data is headcount data unless indicated otherwise and reflects the period January 1, 2023 – December 31, 2023. Employees may have permanent or temporary contracts. Unless otherwise indicated, the data refers to all Tecan employees.

Certain Tecan employee benefits programs are specific to countries and / or influenced by local law. Tecan's benefits always meet and may exceed legal requirements. Examples of benefits include life insurance, health care, disability and invalidity coverage, parental leave, other paid leave, retirement provision, stock ownership, global travel insurance, commuting subsidies, and company cars. Offer and acceptance of benefits is tracked internally but not reported, for reasons of business confidentiality. Analysis regarding the ratio of basic salary and remuneration of women to men is also carried out per country and reported where completed.

Gender diversity (# and %) of all employees globally, and by region

Region of operations	No. of female employees	Female employees (%)	No. of male employees	Male employees (%)	No. of not disclosed gender	Not disclosed gender employees (%)	No. of all employees	All employess (%)
Asia Pacific	703	19.68	446	12.48	2	0.06	1151	100
North America	387	10.83	662	18.53	7	0.20	1056	100
Other Europe	233	6.52	408	11.42	0	0.00	641	100
Switzerland	219	6.13	506	14.16	0	0.00	725	100
Total global operations	**1542**	**43.16**	**2022**	**56.59**	**9**	**0.25**	**3573**	**100**

Gender diversity (# and %) of all employees globally by contract type

Contract type	No. of female employees	Female employees (%)	No. of male employees	Male employees (%)	No. of not disclosed gender	Not disclosed gender employees (%)	No. of all employees	All employees (%)
Indefinite/permanent employees	1526	42.71	2000	55.98	8	0.22	3534	98.91
Fixed-term/temporary employees	16	0.45	22	0.62	1	0.03	39	1.09
Full-time employees	1390	38.90	1916	53.62	9	0.25	3315	92.78
Part-time employees	152	4.25	106	2.97	0	0.00	258	7.22
Non-guaranteed hours employees (casual workers, on-call employees, zero-hours contracts)	0	0		0	0	0	0	0

Number and % of employee contract types by region

Contract type	No. of employees on each contract type in Asia Pacific	% of employees on each contract type in Asia Pacific	No. of employees on each contract type in North America	% of employees on each contract type in North America	No. of employees on each contract type in Other Europe	% of employees on each contract type in Other Europe	No. of employees on each contract type in Switzerland	% of employees on each contract type in Switzerland
Indefinite/permanent employees	1142	99.22	1055	99.91	630	98.28	707	97.52
Fixed-term/temporary employees	9	0.78	1	0.09	11	1.72	18	2.48
Full-time employees	1151	100	1052	99.62	559	87.21	553	76.28
Part-time employees	0	0	4	0.38	82	12.79	172	23.72
Non-guaranteed hours employees (casual workers, on-call employees, zero-hours contracts)	0	0	0	0	0	0	0	0

The number of temporary employees in North America is lower in 2023 than in 2022 because in 2022 this figure included some individuals who were contractors. In 2023, these individuals are counted as contractors.

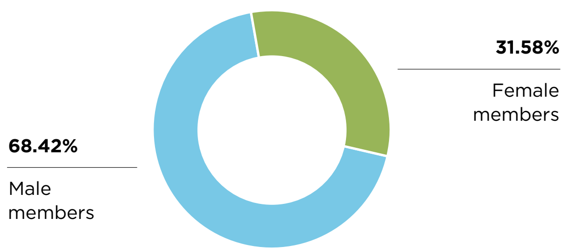
The majority of employee data is maintained within the SAP system, facilitating direct querying. However, one entity was not yet hosting their data on SAP in 2023, therefore required employee data was directly requested from local HR. Subsequently, this dataset was aligned and merged with the SAP dataset to form the source data used here.

Number of non-employees by contract type and percentage share of total workforce

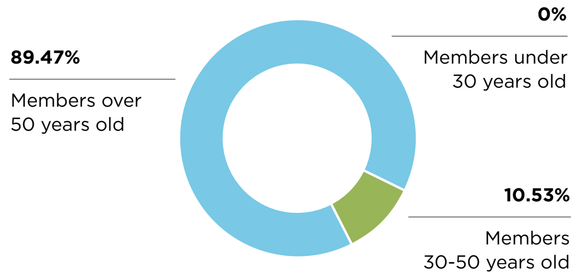
Contract type Headcount	No. of workers on each contract type	Percentage (%) of workers within total workforce on each contract type
Contractors (independent, self-employed)		
Agency workers (e.g. labor agency, recruitment agency workers)	610	14.58
Franchisee workers	0	NA
Third party on site workers (e.g. subcontracted service workers, third-party workers)	0	NA
Total number of employees in global operations	3573	85.42
Total workforce (employee + non-employee workers)	**4183**	**100**

Non-Employees / Contingent Contractors are: External Consultants, External Contractors, Temp by Agency (short term temporary contracts) and Board Members. Tecan engages the most common types of non-employee workers indirectly through employment agencies and directly with contractors. Workers who are not employees carry out tasks to support Tecan's ordinary business activities.

Gender diversity (%) of the company's governance bodies (Extended Management Board [EMB] and Board of Directors)



Age diversity (%) of the company's governance bodies (Extended Management Board [EMB] and Board of Directors)



New employee hire rate (%) across global company by gender

Gender group	New hires across global operations	New hire rate (%)
Female employees	208	5.82
Male employees	249	6.97
Undeclared/Unknown	10	0.28
Non-binary employees	0	0.00
Total new employees globally	**467**	**13.07**

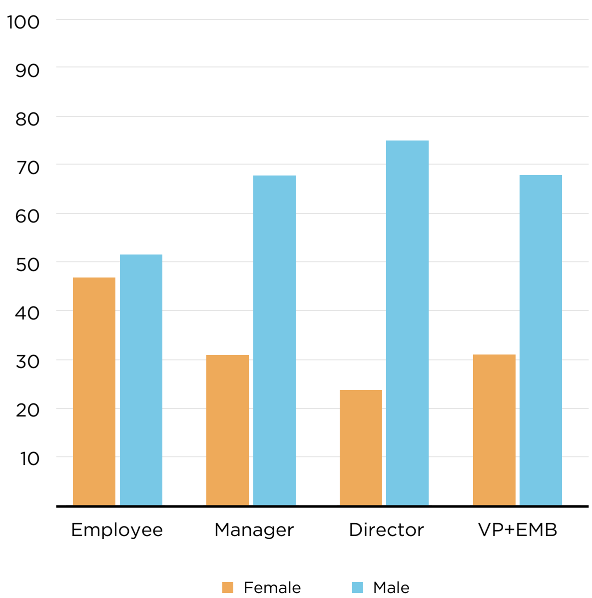
New employee hire rate (%) across global company by age group

Age group	New hires across global operations	New hire rate (%)
Employees under 30 years old	175	4.90
Employees 30-50 years old	210	5.88
Employees over 50 years old	80	2.24
Unknown age	2	0.06
Total new employees globally	**467**	**13.07**

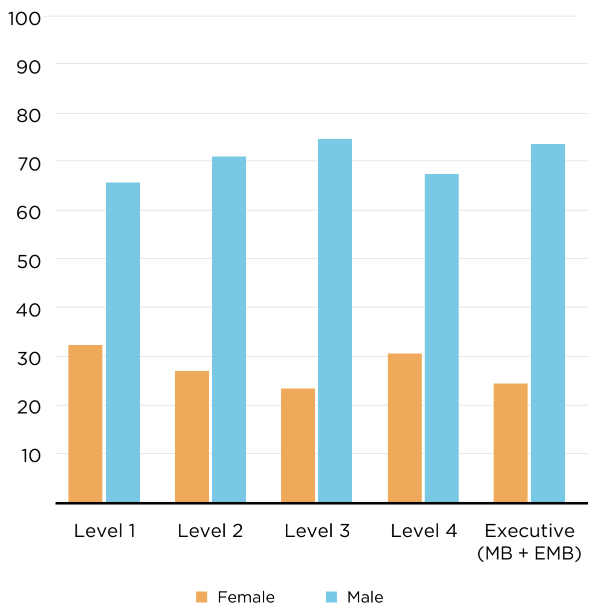
New employee hire rate (%) across global company by region

Region of operations	New hires across global operations	New hire rate (%)
Asia Pacific	147	4.11
North America	147	4.11
Other Europe	93	2.60
Switzerland	80	2.24
Total new employees globally	**467**	**13.07**

Gender diversity (%) of all employees globally by employee category



Gender diversity (%) of all employees globally by management level



Age diversity (%) of all employees globally by employee category

Turnover rates, voluntary and involuntary, of global company by gender

Gender group	No. of voluntary turnover	Voluntary turnover rate (%)	No. of involuntary turnover	Involuntary turnover rate (%)	No. of all turnover	Total turnover rate (%)
Female employees	126	3.53	56	1.57	199	5.57
Male employees	138	3.86	74	2.07	230	6.44
Undeclared/Unknown	3	0.08	1	0.03	4	0.11
Non-binary employees	0	0.00	0	0.00	0	0.00
Total global employees	**267**	**7.47**	**131**	**3.67**	**433**	**12.12**

Turnover rates, voluntary and involuntary, of global company by age group

Age group	No. of voluntary turnover	Voluntary turnover rate (%)	No. of involuntary turnover	Involuntary turnover rate (%)	No. of all turnover	Total turnover rate (%)
Employees under 30 years old	84	2.35	42	1.18	129	3.61
Employees 30-50 years old	149	4.17	61	1.71	214	5.99
Employees over 50 years old	32	0.90	28	0.78	88	2.46
Unknown age	2	0.06	0	0.00	2	0.06
Total global employees	**267**	**7.47**	**131**	**3.67**	**433**	**12.12**

Turnover rates, voluntary and involuntary, of global company by region

Region of operations	No. of voluntary turnover	Voluntary turnover rate (%)	No. of involuntary turnover	Involuntary turnover rate (%)	No. of all turnover	Total turnover rate (%)
Asia Pacific	108	3.02	27	0.76	148	4.14
North America	59	1.65	43	1.20	111	3.11
Other Europe	53	1.48	33	0.92	90	2.52
Switzerland	47	1.32	28	0.78	84	2.35
Total global employees	**267**	**7.47**	**131**	**3.67**	**433**	**12.12**

Percentage of all employees covered by collective bargaining agreements

	% of employees covered by collective bargaining agreements
Total global operations	10.80

Average number of hours of training provided per employee (FTE basis), by employee category

Employee category	Average hours of training provided per employee
Research and development management	46.47
Research and development non-management	44.57
Manufacturing and logistics management	54.18
Manufacturing and logistics non-management	53.10
Sales and marketing management	41.72
Sales and marketing non-management	40.63
Customer service management	48.89
Customer service non-management	43.85
General administration management	48.48
General administration non-management	44.15
Unable to assign	45.34

For additional information see the Social Impact section of the report. Included in the Learning and Development section of this report is information about the type and scope of programs implemented and assistance provided to upgrade employee skills. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment are included in the general description of the other learning and development offerings provided. Line Managers are advised to once a year at minimum have a conversation with their team members about each member's personal development plan. The management of career endings is handled case-by-case depending on local legal requirements and the circumstances.

Percentage of all employees (EE) who received a regular performance and career development review, also by gender

Gender group	% of employees who recieved a performance review	Number of employees who recieved a performance review	Total number of EE
Female employees	34.82	537	1542
Male employees	58.16	1176	2022
Undeclared/Unknown	0.00	0	9
Total global employees	**47.94**	**1713**	**3573**

Percentage of all employees (EE) who received a regular performance and career development review, by employee category

Employee category	% of employees who recieved a performance review	Number of employees who recieved a performance review	Total number of EE
Research and development management	85.27	191	224
Research and development non-management	70.53	146	207
Manufacturing and logistics management	55.14	118	214
Manufacturing and logistics non-management	21.63	374	1729
Sales and marketing management	89.58	129	144
Sales and marketing non-management	74.60	185	248
Customer service management	97.37	74	76
Customer service non-management	81.88	244	298
General administration management	74.46	172	231
General administration non-management	39.60	80	202
Total global employees	**47.94**	**1713**	**3573**

Tecan's employee performance review process is described in the Social Impact section of the report, and is offered to all (100%) employees.

HEALTH AND SAFETY

Tecan's Health and Safety program is set out in the Health and Safety section of this report. Below is the data related to the Health and Safety program.

Tecan's employees covered by Tecan's occupational health and safety management system, which is described in the Health and Safety chapter of this report. Workers who are not employees but whose workplace is controlled by Tecan also benefit from this system. (GRI 4053-8ai)	3573 (100%)
Employees working at locations where the occupational health and safety management system has been internally audited. At these sites, workers who are not employees but whose workplace is controlled by Tecan also benefit from this. (GRI 403-8aii)	717 (20.1%)
Globally, Tecan has 650 workers who are not employees. For 2023, Tecan does not report which locations these workers are based at, and so does not report what % of these workers are at sites where the occupational health and safety management system has been internally audited. (GRI 403-8b)	
GRI 403-9ai – 9bv follow:	
For all employees: The number and rate of fatalities as a result of work-related injury:	0, 0
For all employees: The number and rate of high-consequence work-related injuries (excluding fatalities):	0, 0
For all employees: The number and rate of recordable work-related injuries:	20, 3.04 (LTIR 1.83)
For all employees: The main types of work-related injury:	Cut, back pain
For all employees: The number of hours worked:	6,568,675
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The number and rate of fatalities as a result of work-related injury:	0, 0
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The number and rate of high-consequence work-related injuries (excluding fatalities):	0, 0
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The number and rate of recordable work-related injuries:	0, 0
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The main types of work-related injury:	No injuries reported
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The number of hours worked:	This data is not available for 2023.
Rates have been calculated based on 1,000,000 hours worked (GRI 403-9e)	
No workers have been excluded from this disclosure. (GRI 403-9f)	
GRI 403-10ai – 10bi follow:	
For all employees: The number of fatalities as a result of work-related ill health:	0
For all employees: The number of cases of recordable work-related ill health:	1
For all employees: The main types of work-related ill health:	Musculoskeletal disorder
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The number of fatalities as a result of work-related ill health:	0
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The number of cases of recordable work-related ill health:	0
For all workers who are not employees but whose work and/or workplace is controlled by the organization: The main types of work-related ill health:	No ill health reported
GRI 403-10ci – 10d follow:	
The work-related hazards that pose a risk of ill health, including: how these hazards have been determined: Insufficient ergonomics or inadequate workplace design was identified and recorded as a risk through the Group-wide risk assessment. Mitigation of the risk is being achieved by ensuring proper infrastructure is in place. In the reporting year, one case of ill health has been attributed to this work-related hazard. No workers are excluded from this disclosure.	

GOVERNANCE DATA

Responsible Sourcing

Tecan's Responsible Sourcing program tracks the results of program activities at every step of the process set out in the Responsible Sourcing section of this report. The metrics shown below in bold are included in the data shared in this report:

Percentage and number of suppliers annually that:

- **Have their sustainability performance assessed during the supplier qualification process**
- Sign Tecan's Supplier Code of Conduct
- Complete an EcoVadis assessment
- **Implement a corrective action plan**
- Were inspected or visited
- Were further assessed via Tecan's responsible sourcing escalation process
- **Tecan terminates a relationship with because of their poor sustainability practices**

Screening is carried out simultaneously for impacts relating to Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. Tecan's Responsible Sourcing program was implemented during 2023. Suppliers working with Tecan before September, 2023, are being requalified in the process described in the Responsible Sourcing section of this report. Internal controls and program management revealed that after September, 2023, nine suppliers were qualified outside of the new supplier qualification process. This is being addressed and further steps taken to ensure the process is fully adhered to globally in future. Supplier feedback regarding the new process resulted in further clarification of the information being requested during supplier qualification and requalification. In Tecan's 2023 annual letter to suppliers, a reminder of the importance of the Responsible Sourcing process was included. No (0) suppliers completed a corrective action plan in 2023, and no (0) supplier relationships were terminated because of poor supplier sustainability practices.

Percentage of new suppliers that were screened using environmental criteria	43% (40) new suppliers were screened in total in 2023; since September, 2023, 96% (22) new suppliers were screened.
Number of suppliers assessed for environmental impacts	2367 suppliers screened on EcoVadis IQ platform for environmental impacts
Number of suppliers identified as having significant actual and potential negative environmental impacts	162 suppliers presented potentially high environmental risk in EcoVadis IQ initial screening process.
Significant actual and potential negative environmental impacts identified in the supply chain	Top 3 environmental potential risks in our supply chain identified via EcoVadis IQ risk screening: 1) Materials, Chemicals & Waste, 2) Energy consumption & GHGs and 3) Water
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	Of 162 suppliers in the potential high risk category 141 (or 87%) have now completed the assessment step of signing Tecan's Supplier Code of Conduct. No (0%) suppliers are yet at the stage of having been asked to implement a corrective action plan.
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	0
Operations and suppliers considered to have significant risk for incidents of: child labor	39 suppliers presented potentially high labor & human rights risk in EcoVadis risk screening
Operations and suppliers considered to have significant risk for incidents of: young workers exposed to hazardous work	39 suppliers presented potentially high labor & human rights risk in EcoVadis risk screening
Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: type of operation (such as manufacturing plant) and supplier	In the EcoVadis IQ screening risk process the type of operation and location is taken into account.
Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: countries or geographic areas with operations and suppliers considered at risk	In the EcoVadis IQ screening risk process the type of operation and location is taken into account.
Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor	92% of the 39 suppliers presenting potentially high labor and human rights risk have now signed Tecan's SCoC as an early step in the Responsible Sourcing process. Additional measures include the establishment of Responsible Sourcing team, implementation of qualification criteria, currently requalifying suppliers.

ARTICLE 964*j-k* INDEX

This report includes Tecan's adherence to the due diligence and reporting obligations required by Art. 964j-k of the Swiss Code of Obligations and the Swiss "Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour" (DDTrO). This report covers the period January 1, 2023, to December 31, 2023. During the reported period, Tecan complied with the due diligence obligations regarding child labor, as detailed on pages 69-70 and 79.

GRI CONTENT INDEX

Tecan has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.

GRI Standard	Disclosure	Location	Reason for omission, explanation
GRI 1: 2021	Foundation		
GRI 2: 2021	General Disclosures		
The organization and its reporting practices			
	2-1 Organizational details	40	
	2-2 Entities included in the organization's sustainability reporting	40	
	2-3 Reporting period, frequency and contact point	47	
	2-4 Restatements of information	47	
	2-5 External assurance	47	
Activities and workers			
	2-6 Activities, value chain and other business relationships	40	
	2-7 Employees	74-77	
	2-8 Workers who are not employees	74-77	
Governance			
	2-9 Governance structure and composition	40-42, 84ff	
	2-10 Nomination and selection of the highest governance body	40-41, 84ff	Additional detail on tecan.com
	2-11 Chair of the highest governance body	84ff	
	2-12 Role of the highest governance body in overseeing the management of impacts	40-41	
	2-13 Delegation of responsibility for managing impacts	40-42	
	2-14 Role of the highest governance body in sustainability reporting	40-42	
	2-15 Conflicts of interest	86	
	2-16 Communication of critical concerns	41, 90	
	2-17 Collective knowledge of the highest governance body	41, 88-89	
	2-18 Evaluation of the performance of the highest governance body	90	
	2-19 Remuneration policies	99ff	
	2-20 Process to determine remuneration	99ff	
	2-21 Annual total compensation ratio	21-1 a,b,c	Withheld for reasons of business confidentiality
Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	35	
	2-23 Policy commitments	42	
	2-24 Embedding policy commitments	42	
	2-25 Processes to remediate negative impacts	60	
	2-26 Mechanisms for seeking advice and raising concerns	60	
	2-27 Compliance with laws and regulations	59-62	
	2-28 Membership associations	45	

Stakeholder engagement			
	2-29 Approach to stakeholder engagement	45	
	2-30 Collective bargaining agreements	50, 77	
GRI 3: 2021	Material Topics		
	3-1 Process to determine material topics	36, 45-46	
	3-2 List of material topics	46	
	3-3 Management of material topics	47-82	

Governance and ethics			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	61	
	205-2 Communication and training about anti-corruption policies and procedures	59-61	
	205-3 Confirmed incidents of corruption and actions taken	60	
GRI 207: Tax 2019	207-1 Approach to tax	62-63	
	207-2 Tax governance, control, and risk management	62-63	
	207-3 Stakeholder engagement and management of concerns related to tax	62-63	
	207-4 Country-by-country reporting	62-63	

Climate impact			
GRI 302: Energy-2016	302-1 Energy consumption within the organization	72	
	302-2 Energy consumption outside of the organization	72	All available information is on pages 47-50 and 72
	302-3 Energy intensity	72	All available information is on pages 47-50 and 72
	302-4 Reduction of energy consumption	71	All available information is on pages 47-50 and 71
	302-5 Reductions in energy requirements	71	All available information is on pages 47-50 and 71
GRI 305: Emissions-2016	305-1 Direct (Scope 1) GHG emissions	71	
	305-2 Energy indirect (Scope 2) GHG emissions	72	
	305-3 Other indirect (Scope 3) GHG emission	72	
	305-4 GHG emissions intensity	72	
	305-5 Reduction of GHG emissions	71	
	305-6 Emissions of ozone-depleting substances	71-72	All available data reported in GHG tables
	305-7 Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions	71-72	All available data reported in GHG tables

Circular economy			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	301-1 ai-aii	Unavailable due to the complexity of the materials
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	73	
	306-2 Management of significant waste-related impacts	73	
	306-3 Waste generated	73	
	306-4 Waste diverted from disposal	73	
	306-5 Waste directed to disposal	73	

Being the employer of choice			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	75-76	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74	
	401-3 Parental leave	74	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	53, 77	
	404-2 Programs for upgrading employee skills and transition assistance programs	77	
	404-3 Percentage of employees receiving regular performance and career development reviews	77	
Diversity, equity and inclusion (DEI)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	53-54, 74-76	
GRI 405: Diversity and Equal Opportunity	405-2 Ratio of basic salary and remuneration of women to men	54, 74	Global data unavailable
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	53	
Health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58-59, 78	
	403-2 Hazard identification, risk assessment, and incident investigation	78	
	403-3 Occupational health services	78	
	403-4 Worker participation, consultation, and communication	78	
	403-5 Worker training on occupational health and safety	78	
	403-6 Promotion of worker health	78	
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	78	
	403-8 Workers covered by an occupational health and safety management system	78	
	403-9 Work-related injuries	78	
	403-10 Work-related ill health	78	
Responsible sourcing			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	79	
	308-2 Negative environmental impacts in the supply chain and actions taken	79	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	79	
	414-2 Negative social impacts in the supply chain and actions taken	66-79	
Product quality and safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	63-65	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	64-65	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	64-65	
	417-2 Incidents of non-compliance concerning product and service information and labeling	65	
	417-3 Incidents of non-compliance concerning marketing communications	65	

SCALING HEALTHCARE INNOVATION GLOBALLY.

CORPORATE GOVERNANCE

Information pursuant to the SIX Swiss Exchange Directive on Information Relating to Corporate Governance.

1 GROUP STRUCTURE AND SHAREHOLDERS

GROUP STRUCTURE

Tecan Group Ltd. (the Company), Seestrasse 103, 8708 Männedorf, Zurich, Switzerland, is the ultimate parent company of the Tecan Group.

The Company is listed on the SIX Swiss Exchange.

Security symbol:	TECN
Security number:	1 210 019
ISIN:	CH0012100191
Telekurs Financial:	TECN
Bloomberg:	TECN SW
Reuters:	TECN.S

As of December 31, 2023, the Company's market capitalization was CHF 4,390 million (shares outstanding). The list of consolidated subsidiaries, none of which is publicly listed, is presented in the financial section of this Annual Report. The operational Group structure is based on a customer-oriented division into the business segments Life Sciences Business (end-customers) and Partnering Business (OEM customers). The segment reporting based on structure is presented in the financial section of this Annual Report.

SIGNIFICANT SHAREHOLDERS (DISCLOSURE UNDER ART. 120 SWISS FINANCIAL MARKET INFRASTRUCTURE ACT [FINFRAG])

As of December 31, 2023, the following shareholders held more than 3% of Tecan's shares:

	31.12.2022		**31.12.2023**	
	Shares	%	Shares	%
Chase Nominees Ltd., London (UK)	1,546,910	12.2%	1,546,910	12.2%
UBS Fund Management (Switzerland) AG, Basel (CH)	575,537	4.5%	650,716	5.1%
BlackRock Inc., New York, NY (US)	577,347	4.5%	577,347	4.5%
APG Algemene Pensioen Groep N.V., Amsterdam (NL)	572,926	4.5%	572,926	4.5%
Credit Suisse Funds AG, Zürich (CH)	384,926	3.0%	384,926	3.0%
Ameriprise Financial, Inc, Minneapolis (US)	-	<3%	384,711	3.0%
Pictet Asset Management SA; Geneva (CH)	-	<3%	383,958	3.0%
FIL Limited, Pembroke, Bermuda (BM)	-	<3%	383,491	3.0%
Candriam Luxembourg, Strassen (LU)	384,223	3.0%	383,280	3.0%
Swisscanto Fondsleitung AG, Zürich (CH)	383,060	3.0%	383,060	3.0%
Wellington Management Group LLP, Boston (US)	398,868	3.1%	-	<3.0%
Norges Bank (the Central Bank of Norway), Oslo (NO)	391,724	3.1%	-	<3.0%

For further information: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Numbers of shares according to the most recent shareholder notifications to SIX; the percentages are adjusted to the actual share capital as at the end of the reporting period. The Company does not have any cross-shareholdings exceeding 5% of the capital or voting rights on both sides.

2 CAPITAL STRUCTURE

	2021	2022	2023
Shares	12,678,108	12,731,441	12,783,087
Nominal value per share (CHF)	0.10	0.10	0.10
Share capital (CHF)	1,267,811	1,273,144	1,278,309
Legal reserves (CHF)	456,865,297	455,909,782	455,017,074
Net retained earnings (CHF)	228,738,249	237,856,979	244,516,103
Shareholders' equity (CHF)	**686,871,357**	**695,039,905**	**700,811,486**
Conditional share capital			
Reserved for employee participation plans			
Shares	275,104	221,771	170,125
CHF	27,510	22,177	17,013
Reserved for future business development			
Shares	1,800,000	1,800,000	1,800,000
CHF	180,000	180,000	180,000
Authorized share capital			
Expiring on April 17, 2022			
Shares	1,650,000	-	-
CHF	165,000	-	-

As of December 31, 2023, the Company's share capital was CHF 1,278,309 and was divided into 12,783,087 registered shares with a nominal value of CHF 0.10 each. Each share is entitled to dividend payments whenever the shareholders approve a profit distribution. The Company does not have any bearer shares, participation certificates or bonus certificates outstanding.

CONDITIONAL SHARE CAPITAL – CHANGES IN CAPITAL

In 1997, the Company's shareholders approved the creation of conditional share capital of CHF 130,000 (consisting of 1,300,000 registered shares with a nominal value of CHF 0.10 each) for the purpose of employee stock options (Article 3a of the Articles of Incorporation). Several employee stock option plans were adopted based on this conditional share capital. Details of these plans are given in the consolidated financial statements under Note 12 "Employee benefits". Since 2011, the Company has serviced the options exercised and share transfers from its own shares. As of December 31, 2023, 170,125 shares in the total nominal amount of CHF 17,013 were left under article 3a of the Articles of incorporation and 59,059 shares of the conditional share capital were reserved for outstanding employee stock options and 85,563 for outstanding employee shares. These shares correspond to a share capital of CHF 14,462.

The Articles of Incorporation provides for an additional conditional share capital (article 3b of the Articles of Incorporation); the Company's share capital may be increased by a maximum of CHF 180,000 through the issue of a maximum of 1,800,000 registered shares to be paid in full with a nominal value of CHF 0.10 each. This increase shall be achieved through the exercise of conversion or option rights granted in connection with bonds or similar instruments issued by the Company or Group companies or through the exercise of option rights granted to shareholders. Shareholders' pre-emptive rights are excluded. The acquisition of registered shares through the exercise of conversion or option rights and any further transfer of registered shares is subject to the restrictions specified in Article 5 of the Articles of Incorporation. In the case of convertible bonds or warrant-linked bonds, the preferred pre-emptive rights of the shareholders may be restricted or excluded by resolution of the Board of Directors 1) in order to finance or refinance the acquisition of companies, parts of companies or equity investments, or 2) to issue warrant-linked or convertible bonds on international capital markets. If preferred pre-emptive rights are excluded, then 1) the bonds must be placed at market conditions; 2) the exercise period for warrants must be limited to five years and the exercise period for conversion rights must be limited to ten years from the date the bond was issued; and 3) the conversion or exercise price for the new shares must be set at least in line with the market conditions prevailing on the bond issue date. The Articles of Incorporation are available for consultation at www. tecan.com/tecan-corporate-policies.

ENTRY IN THE SHARE REGISTER AND NOMINEE REGULATIONS

Registration of voting rights in the Company's share register is conditional on shareholders declaring that they have acquired the shares in their own name and for their own account. If this is the case, then there are no registration or voting right restrictions under the Articles of Incorporation. The Company's Board of Directors may register nominees for not more than 2% of the share capital as shareholders with voting rights in the share register. Nominees are shareholders who do not explicitly declare in the registration application that they hold the shares for their own account and with whom the Company has entered into a corresponding agreement. In addition, for shares in excess of 2% of the share capital, the Board of Directors may register nominees with voting rights in the share register if such nominees disclose the names, addresses, nationalities and shareholdings of those persons for whose account they hold 2% or more of the share capital. Legal entities and companies that are linked to one another in terms of capital and voting power through uniform management or otherwise, as well as individuals, legal entities or companies coordinating their actions to circumvent the registration limitations, are considered to be one person. The Board of Directors is entitled to grant exceptions to the registration limitations in special cases. No such exceptions were granted in the year under review. The procedures and conditions for cancelling these limitations on transferability are described in section 6.

3 BOARD OF DIRECTORS

INDEPENDENCE AND RULES REGARDING OUTSIDE MANDATES

All the members of the Board of Directors are non-executive members. None of the Board members was formerly a member of the Management Board of Tecan Group Ltd. or any Group company during the period under review or the three preceding periods. According to the Articles of Incorporation the permitted number of other mandates of the members of the Board of Directors in the highest executive management or bodies of legal entities outside of the Company's group is limited to six mandates in listed and six mandates in non-listed companies, foundations and other legal entities that are registered in the commercial register. Mandates in different legal entities of the same group (including in joint ventures directly or indirectly owned by such a group or the Company that are not consolidated) are counted as one mandate per group, but may not exceed the number of 20 additional mandates if counted separately. Short-term transgressions of these maximum numbers by a maximum of two mandates per category are permitted during a maximum period of six months. Mandates held by members of the Board of Directors by order of the Company shall not be subject to the limitations set out above. Conflicts of interest are prohibited by Article 7 of the Articles of Incorporation. Adherence to the Articles of Incorporation is monitored by the Board Secretary, Tecan's General Counsel. No conflicts of interest have been identified in 2023 or previous years. Should a conflict of interest be detected, it would be addressed and if deemed material, reported to shareholders. Tecan completes external sustainability reporting and is highly rated by agencies including MSCI and ISS for its strong governance practices.

ELECTION, TERM OF OFFICE, ORGANIZATION, MEETINGS AND ATTENDANCE

Pursuant to the Company's Articles of Incorporation, the Board of Directors is composed of a minimum of one and a maximum of seven members, who are elected for a term of one year. Re-election after the end of the term is permitted. The Chair of the Board of Directors is elected by the General Meeting. The Board of Directors is responsible for the ultimate supervision and management of the Company, including the development of general strategies and guidelines, and for all other duties that are non-transferable under applicable law. To the extent permitted by law and provided that there is no conflict with the Company's Articles of Incorporation and the Organizational Regulations adopted by the Board of Directors, management of the Company's affairs is delegated to the Management Board pursuant to the Organizational Regulations. The Board's performance is reviewed by the Nomination Committee as described in that section of this report; adherence to Tecan's Articles of Incorporation is monitored by the Board Secretary, Tecan's General Counsel.

Tecan's shareholders vote to approve the appointment of Board members or the continuation of their term in office at Tecan's Annual General Meeting. Otherwise, performance is not formally evaluated. Any report made via Tecan's independent, third-party operated whistleblower hotline regarding the Board would be investigated by Tecan's Compliance function, as described previously. The Board of Directors meets as often as business matters require but at least five times a year upon invitation of the Chair or, in their absence, upon invitation of another Board member. Any member of the Board of Directors may call a meeting by specifying the reasons for the meeting. The meetings usually last between four and six hours. As a general rule, the CEO and CFO attend the Board meetings and other members of the Management Board or senior management invited by the Chair attend for certain portions. At each meeting, the Chair reserves some time for discussion between the members of the board and the CEO and some time for discussion amongst the Board members only. Meetings may also be held by videoconference or by telephone. The Board of Directors passes its resolutions by an absolute majority of votes of Board members present. In the event of a tie, the Chair of the Board has the deciding vote. Resolutions may be passed in writing unless a member requests oral deliberation. Five Board of Directors' meetings were held in the year under review. Three meetings of the Audit Committee lasting about two to three hours each were also held. In addition, there were three meetings of the Compensation Committee and several telephone conferences of the Nomination & Governance Committee. In the year under review, all members of the Board of Directors took part in all Board of Directors' meetings and the committee members attended all of their respective committee meetings.

BOARD OF DIRECTORS

Dr. Lukas Braunschweiler

Chair of the Board and of the Nomination and Governance Committee

Since 2018, elected until 2024
1956
Swiss citizen
PhD in Physical Chemistry, Swiss Federal Institute of Technology, Zurich (ETH Zurich) Switzerland

Professional background:
1985 to 1995 various management positions at Wild Leitz Heerbrugg AG (today Leica Geosystems), Switzerland; Huber + Suhner AG, Switzerland; Saurer Group Holding AG, Switzerland; and Landis+Gyr AG (today Siemens AG), Switzerland; 1995 to 2002 Member of the Group Executive Board and Group Vice President, Mettler-Toledo International, Inc. USA/ Switzerland; 2002 to 2009 President and CEO, Member of the Board of Directors, Dionex Corporation, USA; 2009 to 2011 CEO, RUAG Holding AG, Switzerland; 2011 to March 2018 CEO, Sonova Holding AG, Switzerland

Other activities:
Sonova Holding AG[1], Member of the Board of Directors

Dr. Christa Kreuzburg

Chair of the Compensation Committee

Since 2013, elected until 2024
1959
German citizen
Diploma and Ph.D. in Physical Chemistry, Duisburg University, Chemical Faculty

Professional background:
1990 to 1994 Laboratory Head, Central Research at Bayer AG, Germany; 1994 to 1996 Departmental Head, Central Research at Bayer AG, Germany; 1997 to 1999 Strategy Consultant, Corporate Strategic Planning at Bayer AG, Germany; 2000 to 2002 Head of Corporate Strategic Planning, in addition from 2001, leading the restructuring project of division Pharmaceuticals after the withdrawal of Lipobay® at Bayer AG, Germany; 2002 to 2005 Head of Pharma Japan (from 2004)/Europe/MERA and member of the Pharma Management Committee at Bayer HealthCare, Germany; 2006 to 2007 Head of Pharma Primary Care/International Operations and member of the Pharma Management Committee at Bayer HealthCare, Germany; 2007 to 2008 Head of Bayer Schering Pharma Europe/Canada and member of the Executive Committee. Integration of Bayer and Schering in the region at Bayer HealthCare, Germany; 2009 to today consulting projects for small and mid-size healthcare companies

Other activities:
Catalent Inc.[1], Member of the Board (until 25.01.2024)

Dr. Karen Huebscher

Chair of the Audit Committee

Since 2012, elected until 2024
1963
Swiss and British citizen
MBA, IMD Lausanne; Ph.D. Natural Sciences, ETH Zurich and Master's degree, Animal Sciences, ETH Zurich

Professional background:
1995 to 2000 various positions with increasing responsibility in Research and Finance at CIBA Geigy and Novartis; 2000 to 2006 Novartis, Global Head Investor Relations; 2006 to 2009 Member of the Global Executive Committee and Global Innovation Board, Novartis Vaccines & Diagnostics with headquarters in the U.S., in charge of Business Development/Mergers and Acquisitions; 2009 to 2011 Member of the European Commercial Operations Leadership Team and Site Head Novartis Vaccines & Diagnostics, Basel. Head Public Health and Market Access Europe (Marketing & Sales). Board Member European Vaccines Manufacturers' association in Brussels; since 2012 Founder and Managing Director of Fibula Medical AG; 2013 Member of the Board Solvias Group, 2014 to 2021 CEO Solvias Group[2], Headquarters in Kaiseraugst, Switzerland

Financial Expertise:
CEO of Solvias Group[2]; Head Investor Relations Group, Novartis from 2000 to 2006, reporting directly to CFO and Head of Treasury, Member of the Disclosure Committee Novartis, Head Mergers and Acquisitions, Division Vaccines & Diagnostics, Novartis

Other activities:
Sandoz Group AG[1], Vice-Chairwoman; BBI Group[2], Member of the Board; Nonprofit organizations: SMG (Swiss Management Association)[2], Member of the Board; IMD[2], Member of the Foundation Board

Dr. Daniel R. Marshak

Since 2018, elected until 2024
1957
US citizen
Ph.D in Biochemistry and Cell Biology, The Rockefeller University, New York, USA; Bachelor in Biochemical Sciences, Harvard University, Cambridge, USA

Professional background:
1984 to 1986 Staff Fellow, National Institutes of Health, USA; 1986 to 1995 Sr. Staff Investigator, Cold Spring Harbor Laboratory, USA; 1994 to 2000 Sr. Vice President and Chief Scientific Officer, Osiris Therapeutics, Inc.; 2000 to 2006 Vice President and Chief Technology Officer, Biotechnology and Vice President Research and Development, Biosciences, Cambrex Corporation, USA; 2006 to 2014 his last role Senior Vice President and Chief Scientific Officer, additional positions: President, Emerging Diagnostics, Waltham, USA and Shanghai, China; President, Greater China, Shanghai, China; PerkinElmer, Inc., USA; 2014 to present Consultancy for various companies in the Life Sciences, Bio-Pharmaceutical, and Diagnostics industry. Consultant to RADx program of US Government DHHS/NIH/NIBIB for COVID-19 diagnostics

Other activities:
RareCyte, Inc.[2], Member of the Board of Directors

[1] Public company
[2] Private company

Dr. Oliver Fetzer

Since 2011, elected until 2024
1964
US citizen
MBA, Carnegie Mellon University, Pittsburgh, USA, Ph.D. Pharmaceutical Sciences, Medical University of South Carolina, USA

Professional background:
1993 to 2002 The Boston Consulting Group, USA, between 2000 and 2002 Managing Director and Partner; 2002 to 2007 Cubist Pharmaceuticals USA, various management positions, including Senior Vice President, Corporate Development and Research and Development; 2007 to 2008 Sabbatical; 2009 to 2014 President and Chief Executive Officer, member of the Board of Directors of Cerulean Pharma Inc., USA; since 2014 President and Chief Executive Officer, Member of the Board of Directors, Viridos Inc., USA

Financial Expertise:
More than ten years of experience as CEO, including taking company public. MS in Industrial Administration (MBA) from Carnegie Mellon. 9 years at the Boston Consulting Group including Partner and Managing Director. Former public company board member at NASDAQ listed companies Arena Pharmaceuticals, Auxilium Pharmaceuticals, and Cerulean Pharmaceuticals.

Other activities:
Viridos[2], Member of the Board

Myra Eskes

Since 2022, elected until 2024
1971
Dutch citizen
Master Degree in Macro Economics, University of Groningen, Groningen, The Netherlands

Professional background:
1995 to 2005 various management positions at General Electric Company, The Netherlands & USA including General Manager Diagnostic Imaging Equipment Manufacturing; 2005 to 2008 Vice President Business Operations, Universal Pictures International Entertainment, UK; 2009 to 2019 various management positions at General Electric Company, Singapore & Turkey including President and CEO Southeast Asia, Korea, Australia and New Zealand; 2019 to 2023 President Asia Pacific, Smith & Nephew Plc, Singapore

Other activities:
None

Matthias Gillner

Since 2023, elected until 2024
1967
Swiss and German citizen
MBA Degree, INSEAD, Fontainebleau, France & Master Degree in Chemical Engineering, Friedrich-Alexander-University Erlangen-Nuernberg, Erlangen, Germany

Professional background:
1993 to 2000 Manager and various others positions at Boston Consulting Group Inc., Munich, Germany; 2011 various management positions at Hilti Group, Schaan, Liechtenstein; 2011 to 2014 Member of the Executive Board – Electric Tools & Accessories, Corporate Research & Technology, Hilti Group, Schaan, Liechtenstein; 2014 to 2017 Member of the Executive Board – Emerging Markets, Energy & Industry, Hilti Group, Schaan, Liechtenstein; 2017 to 2022 Member of the Executive Board – Finance, Tax, Human Resources, IT, Corporate Development and the global Energy & Industry, Hilti Group, Schaan, Liechtenstein

Other activities:
Hilti Group[2], Member of the Board of Directors; Martin Hilti Family Trust[2], Trustee; Hilti Foundation[2], Chairperson; Ursula Zindel-Hilti Foundation[2], Member of the Foundation Board

Member who left Tecan

Heinrich Fischer

until April 2023

[1] Public company
[2] Private company

COMMITTEES

The Board of Directors has appointed committees composed of members of the Board to prepare and implement its resolutions and to exercise its supervisory function. The Committees are assigned with specific duties and responsibilities. All other duties and responsibilities remain with the full Board of Directors, for instance the review of the Company's ESG approach, activities and risks and Cyber Security risks. The committees meet upon invitation of the respective Chair and as often as business requires, but at least twice a year. Committee resolutions and proposals for consideration by the entire Board of Directors are passed by a majority of votes cast, provided that there is a quorum of at least two committee members present. Resolutions may also be passed by postal vote. For specific topics (for example in connection with M&A discussions) the Board of Directors forms ad-hoc committees. Several conference calls of ad-hoc committees were held in the year under review. The Board of Directors has established three committees that are composed as follows:

	Audit Committee	Compensation Committee	Nomination and Governance Committee
Dr. Lukas Braunschweiler			Chair
Matthias Gillner	Member		
Dr. Oliver Fetzer	Member	Member	
Dr. Karen Huebscher	Chair		Member
Dr. Christa Kreuzburg		Chair	Member
Daniel R. Marshak		Member	
Myra Eskes		Member	

AUDIT COMMITTEE

The Audit Committee is composed of at least two members. The Committee's principal duties and responsibilities are to form an opinion regarding internal and external audits and to monitor cooperation between the external statutory auditors and the Company; to assess the quality of internal audits and compliance; to review the annual financial statements (both consolidated and single-entity) and interim financial statements destined for publication and report on them to the full Board of Directors; to make recommendations to the full Board of Directors, especially with regard to the approval of annual and interim financial statements; and to monitor the independence, performance and fees of the statutory auditors and propose that they be appointed or reappointed by vote of the Annual General Meeting. This Commitee is also charged with monitoring the risk management of the Company.

Furthermore, the Audit Committee oversees the Company's reporting obligations and compliance regarding sustainability, in particular regarding environmental, social and governance (ESG) aspects, discuss feedback from investors, proxy advisors and analysts concerning the Company's performance in ESG matters, and generally assists the Board of Directors and support the Management in responding to ESG related questions. Representatives of the external statutory auditors and the internal auditor may attend meetings of this Committee at the invitation of the Chair. The experience in financial matters of members of the Audit Committee are set out on pages 88 and 89.

COMPENSATION COMMITTEE

The majority of members of the Compensation Committee must be non-executive and independent members of the Board of Directors. The role and responsibilities of the Compensation Committee are described in the Compensation Report on page 99 to 117.

NOMINATION AND GOVERNANCE COMMITTEE

The majority of members of the Nomination and Governance Committee must be independent and non-executive members of the Board of Directors. The Committee consists of three members. It is chaired by the Chair of the Board. The most important duties of this Committee include performance review and succession planning at the level of the Board of Directors and the Management Board; defining the selection criteria for members of the Board of Directors and the Management Board; and regularly reviewing the performance of the Board of Directors, its committees and its individual members based on a set of overall competences of the Board required for the Company. This Committee is also charged with monitoring risk management and corporate governance.

INFORMATION AND CONTROL INSTRUMENTS

The members of the Management Board are actively involved in the various committees of the Board of Directors. The CEO, CFO, the General Counsel and the internal auditors and sometimes the external statutory auditors attend the meetings of the Audit Committee, for example. In addition, members of the Management Board meet with individual Board members on an ad-hoc basis to discuss and delve more deeply into specific topics. Through these meetings, critical concerns could be raised. No critical concerns impacting stakeholders were raised in 2023.

The Board of Directors receives monthly reports from the Group's management information system so that it can monitor financial and operational performance. All relevant guidelines are presented to the Board of Directors or the appropriate committees for approval to ensure shared responsibility for all major decisions.

Internal Audit: Since the internal auditors report to the Audit Committee, their independence is assured. All companies are audited every three years on the basis of a risk analysis. The annual audit plan consists of audits of all major companies and is approved by the Audit Committee. A summary of significant findings and recommendations is submitted directly to the Audit Committee with copies to the CEO, the CFO and the General Counsel. The reports are also made available to the external statutory auditors. During the year under review, Internal Audit focused its efforts on strengthening the internal control system for financial reporting and compliance. Other areas audited include compliance with laws and standards; the compliance, efficiency and effectiveness of business processes; improved cyber security measures; and the implementation of recommendations made by the internal auditors. Additional information on risk management is given in Note 13 to the financial statements of Tecan Group.

4 MANAGEMENT

MANAGEMENT CONTRACTS AND RULES REGARDING OUTSIDE MANDATES

No agreements between the Company and third parties that are not part of the Tecan Group were entered into or renewed in the year under review for the purpose of delegating management responsibilities.

According to the Articles of Incorporation, the permitted number of other mandates of the members of the Management Board in the highest executive management or bodies of legal entities outside of the Company's group is limited to two mandates in listed and four mandates in non-listed companies, foundations and other legal entities that are registered in the commercial register. Mandates in different legal entities of the same group (including in joint ventures directly or indirectly owned by such a group or the Company that are not consolidated) are counted as one mandate per group, but may not exceed the number of 20 additional mandates if counted separately. Short-term transgressions of these maximum numbers by a maximum of two mandates per category are permitted during a maximum period of six months. Mandates held by members of the Management Board by order of the Company shall not be subject to the limitations set out above.

MANAGEMENT BOARD.

1 |
Dr. Achim von Leoprechting

Chief Executive Officer (CEO)

Member since 2013
Joining Tecan in 2013
1968
German citizen
PhD in Biology (University of Freiburg, Germany)

Professional background:
1999 to 2002 different positions in product management at Packard Bioscience, today part of PerkinElmer; 2002 to 2013 several management positions and professional positions at PerkinElmer Inc. (NYSE: PKI), including Vice President and General Manager In Vitro Solutions

Other activities:
Analytical, Life Science and Diagnostics Association (ALDA)[2], Member of the Board

2 I
Tania Micki

Chief Financial Officer (CFO)

Member since 2020
Joining Tecan in 2020
1971
French and Swiss citizen
MBA General Management (INSEAD, Fontainebleau, France), graduated ESCP (École Supérieure de Commerce de Paris) in Paris, France with major Finance/ Audit/ Accounting, BA in Russian (University Paris Nanterre, France)

Professional background:
1996 to 2006 various financial positions at General Mills; 2006 to 2009 Vice President Finance, Planning and Analysis Europe, Gate Group; 2009 to 2010 Seed Supply Finance Lead EMEA, Monsanto; 2010 to 2020 variety of positions at Sulzer AG, most recently as Chief Risk Officer and Group Internal Audit Head, other positions included CFO Global Markets in a group-wide function

Other activities:
EHL Holding SA[2], Member of the Board of Directors and the Board of Trustees of the EHL Foundation

3 I
Ralf Griebel

Executive Vice President Head of the Partnering Business division

Member since 2020
Joining Tecan in 2020
1972
German citizen
Graduate Engineer in Electrical Engineering and Computer Engineering (TH Mittelhessen University of Applied Sciences, Friedberg, Germany)

Professional background:
1994 to 1996 R&D Engineer, AT&T Istel; 1997 to 2002 different positions in Applications and Business Development at Packard Bioscience, today part of PerkinElmer; 2002 to 2003 Technology Manager Europe, PerkinElmer LifeSciences in Cambridge (UK); 2003 to 2006 Technol- ogy Manager Integrated Solutions – Germany, Austria, Switzerland, PerkinElmer Life and Analytical Sciences; 2006 to 2013 Strategic Program Manager, STRATEC Biomedical AG; 2013 to 2014 Vice President Partnering Business, STRATEC Biomedical AG; 2014 to 2016 Senior Vice President Partnering Business, STRATEC SE; 2016 to 2020 Senior Vice President Partnering Business, STRATEC SE and Managing Director, Diatron MI

Other activities:
None

4 I
Ulrich Kanter

Executive Vice President Global Head of Operations & IT

Member since 2014
Joining Tecan in 2014
1963
German citizen
Mechanical Engineer (Berufsakademie Mannheim, Germany) and Diploma in Business Administration (Verwaltungs- und Wirtschaftsakademie at the J.W. Goethe University Frankfurt, Germany)

Professional background:
1995 to 2000 Vice President, Operations and Global Supply Chain Manager at AVL Medizintechnik (acquired by Roche Diagnostics in 2000); 2000 to 2014 diverse positions with increasing management responsibility at Roche Diagnostics, most recently as General Manager and Head of Research & Development in Graz, Austria

Other activities:
Toolpoint for Lab Science[2], Member of the Board

5 I
Dr. Klaus Lun

Executive Vice President Head of the Life Sciences Business division

Member since 2013
Joining Tecan in 2013
1972
Italian citizen
M.Sc. Biology (University of Tübingen, Germany), Dr. rer. nat. in Neurobiology (equiv. Ph.D., University of Heidelberg, Germany), MBA (University of Mannheim, Germany)

Professional background:
2002 to 2007 variety of positions at the Lonza Group, most recently as a Senior Project Manager; 2007 to 2011 Director Business Development at Danaher Group (Leica Microsystems); 2011 to 2013 several management positions at Molecular Devices Inc. (Danaher Group), most recently as Vice President Drug Discovery and Bioresearch und Vice President Global Product Marketing; 2013 to 2017 Executive Vice President, Head of Corporate Development, Tecan Group

Other activities:
CrestOptics[2], Non-Executive Director, Member of the Board of Directors

[1] Public company
[2] Private company

6 I

Erik Norström

Executive Vice President
Head of Corporate Development

Member since 2017
Joining Tecan in 2017
1973
Swedish and Swiss citizen
M.Sc. in Chemical Engineering (Chalmers University of Technology, Göteborg, Sweden), B.Sc. in Business Administration (Göteborg University of Economics and Commercial Law, Sweden)

Professional background:
2001 to 2008 Corporate Development Director at F. Hoffmann-La Roche AG, Basel; 2008 to 2012 Head of M&A and alliances at Nobel Biocare AG, Zürich; 2012 to 2015 Head of Corporate Development and M&A Member of the Corporate Leadership Team at Nobel Biocare AG, Zürich; 2015 to 2017 Corporate Vice President strategic development and M&A, Member of the Corporate Leadership team at Chr. Hansen a/s, Copenhagen, Denmark

Other activities:
Labforward GmbH[2], Member of the Board

7 I

Ingrid Pürgstaller

Chief People Officer (CPO)

Member since 2020
Joining Tecan in 2011
1980
Italian citizen
Master Graduate in Psychology (University of Salzburg, Austria). Executive Master's Degree in Human Resources Development (Scuola Romana di Psicologia del Lavoro, Rome)

Professional background:
2006 to 2008 Staff of the Italian Parliament, Italy; 2008 to 2010 HR Recruiting and Training at Merck Serono; 2010 to 2011 Consultant at Manres AG; 2011 to 2020 Various human resources positions at Tecan; since 2019 responsible for worldwide talent management

Other activities:
None

8 I

Andreas Wilhelm

Executive Vice President
General Counsel and Secretary of the Board of Directors of Tecan Group Ltd.

Member since 2012
Joining Tecan in 2004
1969
Swiss citizen
Studies of law (University Berne, Switzerland), Master of Law Program (Boston University, USA), admitted to the Swiss Bar

Professional background:
1993 Judicial Clerk at District Court of Nidau; 1994 to 1995 Legal Internship at Notter & Partner in Berne; 1996 to 1999 Attorney-at-law at Grüninger Hunziker Roth Rechtsanwälte in Berne; 2000 to 2004 Attorney-at-law at Bär & Karrer in Zurich; since 2004 Head Legal Affairs and Secretary of the Board of Directors of Tecan Group Ltd.

Other activities:
None

9 I

Dr. Wael Yared

Executive Vice President
Chief Technology Officer (CTO)
Head Research and Development

Member since 2019
Joining Tecan in 2019
1962
US citizen
PhD in Robotics (Massachusetts Institute of Technology), Cambridge, MA, USA

Professional background:
1995 to 2002 different positions at Arthur D. Little, Inc. and Cambridge Strategic Management Group; 2003 to 2010 Vice President, Research & Development at VisEn Medical, Inc., today part of PerkinElmer; 2010 to 2016 Vice President, Research & Development at PerkinElmer Life Sciences & Technology; 2016 to 2018 Chief Technology Officer & Vice President, Corporate Development at BioAnalytix, Inc.

Other activities:
None

[1] Public company
[2] Private company

5 CONTENT AND METHOD OF DETERMINING COMPENSATION AND STOCK OPTION PLANS

Pursuant to the Articles of Incorporation, each year the Compensation Report for the completed business year is submitted to the Annual General Meeting for a non-binding consultative vote. The process for the prospective approval of the compensation of the Board of Directors and of the Management Board as well as the statutory additional amount for further members of the Management Board are described in the Compensation Report.

Pursuant to the Articles of Incorporation, any loans, credits or securities granted to a member of the Board of Directors or the Management Board may not exceed an amount corresponding to 50% of such member's base salary. No such loans, credits or securities were outstanding at the end of 2023.

The Articles of Incorporation are available for consultation at www. tecan.com/tecan-corporate-policies. The provisions of the Articles of Incorporation regarding the compensation policy (Article 18, sections 3, 4, 6 and 7) read as follows:

- For work performed in the interest of the Company, the members of the Board of Directors shall receive, in addition to reimbursements of costs and expenses, a compensation, the maximum amount of which must be approved by the Annual General Meeting. The compensation of the members of the Board of Directors may consist of an annual compensation and further non-performance-related compensation (such as remunerations for the membership in committees or the performance of special tasks or assignments) plus the employer's social security contributions and contributions to pension plans. The compensation may be paid in cash and partly in shares in the Company.
- For work performed in the interest of the Company, the members of the Management Board shall receive, in addition to reimbursements of costs and expenses, a compensation, the maximum amount of which must be approved by the Annual General Meeting. The compensation of the members of the Management Board may consist of (a) an annual base salary and further nonperformance-related compensation plus the employer's social security contributions and contributions to pension plans, (b) performance-related cash compensation, and (c) compensation under the long-term participation plan, each plus the employer's social security contributions and contributions to pension plans, if applicable.
- The variable cash compensation shall be determined on the basis of financial targets of the Company's group and (quantitative and qualitative) personal targets (hereinafter referred to as "performance-related cash compensation"). The targets shall be defined by the Board of Directors at the beginning of each year upon motion of the Compensation Committee. The performance-related cash compensation of the CEO may not exceed 150% of the base salary and the performance-related cash compensation of the other members of the Management Board may not exceed 100% of the base salary. The performance-related cash compensation is generally paid out in cash but may also be paid in the form of shares or other types of benefits.
- Within the scope of the long-term participation plan, the compensation of the members of the Management Board shall be determined on the basis of the Company's strategic and/or financial targets, which shall be measured over a period of at least three years. The targets shall be defined by the Board of Directors upon motion of the Compensation Committee. In addition, the members of the Management Board may be allowed to participate in the long-term participation plan on a voluntary basis. The compensation may be paid in the form of shares, entitlements to additional shares (matching shares), options, cash or other types of benefit as determined by the Board of Directors upon motion of the Compensation Committee. The Board of Directors upon motion of the Compensation Committee shall determine the conditions that apply to grants, vesting and blocking periods as well as the circumstances triggering accelerated vesting or deblocking or forfeiture of any grants (e.g. in the event of death, invalidity, change of control, termination of employment contract). The Board of Directors upon motion of the Compensation Committee shall determine the maximum amount of compensation under the long-term participation plan in the compensation and participation plans or regulations.

The provisions of the Articles of Incorporation on pensions read as follows (Article 20):

- The Company may establish one or more independent pension funds for occupational pension plans or may join existing pension funds. Contributions by the employer to such pension funds, as opposed to the regulated benefits paid by such pension funds, are a component of the compensation. Pension benefits directly accrued or paid by the employer due to country-specific regulations for occupational benefits shall be treated the same way as contributions to and benefits by pension funds. Under special circumstances, the Company may make payments for social security purposes outside the statutory social security system, including payments by the Company to the pension fund to finance a transitional pension in the event of early retirement. The value of such payments per member of the Management Board may not exceed the total amount of the last annual compensation paid to this very member. The value of the pension is determined in accordance with generally recognized actuarial rules.

The Compensation Report contains information on the structure of compensation and stock option plans as well as on actual compensation in 2023 and motions proposed to the Annual General Meeting that relate to the prospective approval of compensation of the Board of Directors and Management Board.

6 SHAREHOLDERS' PARTICIPATION RIGHTS

Each share entitles the bearer to one vote. Shareholders may only be represented at the Annual General Meeting by their legal representative, another shareholder with voting rights or the independent proxy. Proxy representation requires a written power of attorney that is only valid for the meeting for which it is issued. Article 13 paragraph 2 of the Company's Articles of Incorporation stipulates the matters for which a majority greater than that prescribed by law is required in order to pass a shareholders' resolution, namely a qualified majority of at least two-thirds of the votes represented and an absolute majority of the nominal stock value represented.

The types of transaction covered by this provision are as follows:

- The conversion of registered shares into bearer shares;
- The cancellation or modification of transferability restrictions (Article 5 of the Articles of Incorporation);
- The dissolution and liquidation of the Company and the removal of Article 13 paragraph 2 itself from the Articles of Incorporation, and the elimination or modification of the quorum specified in this provision.

Shareholders who together hold shares of at least 1% of the share capital may request in writing no later than 56 days prior to a General Meeting that a specific item be included on the agenda. Shareholders who together represent at least 10% of the share capital may request that a General Meeting be convened. Shareholders registered as having voting rights are informed by mail of the convening of a General Meeting at least 20 days prior to the meeting. The notice is also published in the Swiss Official Gazette of Commerce. As a rule, the share register is closed for new entries from around ten days before the day of the General Meeting until the day of the General Meeting. In connection with the implementation of the requirements of the Ordinance Against Excessive Compensation in Listed Companies, the responsibilities of the General Meeting were expanded in the Articles of Incorporation to include the responsibilities relating to the compensation of the Board of Directors and the Management Board.

7 CHANGE OF CONTROL AND DEFENSE MEASURES

The Company's Articles of Incorporation do not contain any rules on opting-out or opting-up in order to cancel or restrict the obligation to submit an offer pursuant to the Federal Act on Stock Exchanges and Securities Trading. One-third of the options issued in conjunction with ESOP (for details see consolidated financial statements, Note 10.4 "Share-Based Payment") vest each year (vesting period). During this vesting period, these options generally cannot be exercised. When there is a change of control (and the related change of the employment relationship), these options vest immediately and may be exercised immediately (accelerated vesting period). In the event of a change of control (and the related change of the employment relationship), the three-year blocking period for the shares allotted under PSMP will be lifted and the matching shares will be allocated before the usual time (see "Employee participation plans" in the Compensation Report). There are otherwise no change-of-control clauses included in agreements or compensation plans that benefit members of the Board of Directors, the Company's Management Board, or the Tecan Group.

8 STATUTORY AUDITORS

Date on which Ernst & Young AG (EY) took over the existing auditing mandate	April 13, 2016
Year in which the lead auditor took up his position	2018

FEES PAID

CHF 1,000	2022	**2023**
Total auditing fees of the Group auditor	1,182	1,261
Total tax and legal consulting fees of the Group auditor	34	-
Total other consulting fees of the Group auditor	-	-

The auditors are appointed by vote of the Annual General Meeting of Shareholders for a one-year term. The external audit is reviewed by the Audit Committee. The auditors attend the meetings of the Audit Committee at which the annual and semi-annual financial statements are discussed and preparations are made for approval by the Board of Directors. The auditors report on the audit focus and summarize the audit findings. The auditors submit recommendations regarding the scope of the audit and its focus for the upcoming audit period. At year's end, the Audit Committee reviews the performance of the auditors as well as the audit costs and submits a proposal to the Board of Directors regarding reappointment of the auditors. As a rule, the Company issues a new request for audit proposals every four years. The lead auditor must be changed every seven years.

9 INFORMATION POLICY

Tecan informs shareholders and the financial community on a continuous basis about significant developments in the Company. To do so, Tecan regularly publishes press releases, interim and annual reports, and information provided on the Company's website (www.tecan.com). In addition, the Company gives regular presentations to institutional investors at its headquarters and at several conferences and holds numerous individual and group meetings every year with members of the international financial community. Individual company publications are also available in printed form on request. They can also be downloaded from the Tecan website.

10 BLACKOUT PERIODS

The Insider Trading Policy of the Company defines two ordinary Closed Periods (blackout periods). They begin on the close of trading on December 20 (as regard the full year results) and/or on June 20 (as regard the half year results) of each year and end at the opening of the SIX Swiss Exchange on the third trading day after Tecan's financial results for the full year and/or the half year have been released to the press. Tecan's CEO and CFO jointly shall declare extraordinary Closed Periods where appropriate. This rule applies certain defined functions and individuals who are potentially exposed to critical information. This group includes but is not limited to the members of the Management Board and of the Board of Directors.

IMPORTANT DATES FOR INVESTORS

Date	Location	Event
March 12, 2024	Conference Call/ Webcast	Full Year Results 2023, Press Briefing on Annual Results and Analysts
April 18, 2024	Rapperswil, SG	Annual General Meeting
August 13, 2024	Conference Call/ Webcast	Half Year Results 2024

FOR MAIL OR PHONE INQUIRIES, PLEASE CONTACT

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IMPROVING
PEOPLE'S
LIVES AND
HEALTH.

COMPENSATION REPORT

Being the employer of choice in our industry is a material topic for Tecan, as it is recognized as key to the long-term sustainability of our business. We work hard to attract and retain the best employees in our field, to create sustainable value for our shareholders. The global demand for talented personnel in the labor market continues to be high, and offering competitive opportunities remains a focus to support Tecan's future growth.

This focus requires more than attractive financial compensation, and Tecan is pleased to be able to offer a work environment that includes a meaningful business purpose and a positive culture built on deeply embedded values and leadership principles. To ensure that we stand out in a competitive talent market, we continue to create greater brand awareness in the labor markets relevant to Tecan. We also focus on and invest in leadership development, to enhance our existing leadership capabilities by taking the global leadership team on a Senior Leadership Development journey. This targeted program aims to bring Tecan leaders to the next level of competence. We benefit from having created an effective format for sharing and embedding our leadership principles across the entire organization.

We have taken steps in 2023 to ensure that our compensation principles and systems align with the expectations of our shareholders and stakeholders. To further this alignment we have engaged in regular dialogue with shareholders and proxy advisors, subsequently introducing substantial improvements both on a policy level and to the dissemination of information in our compensation report.

Tecan recognizes the evolving need for transparency around target setting and target achievement for our short-term incentive (STI) plans. Starting with this compensation report, we now include additional information in our report to show not only the overall target achievement, but also the specific target definitions and target achievements that drive our STI payout levels.

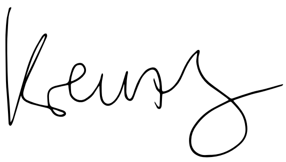
Fruitful dialogue with key stakeholders, regulatory changes and the evolution of Tecan's approach to compensation and benefits have influenced the content of this compensation report, which reflects the ongoing importance of diligent management of this significant area of our business practices.

We have also continued to work on our Great Place to Work initiatives, to further evolve our work culture based on direct employee feedback. The results of an internal pulse survey on the impact of our cultural activities confirmed that we are making continuous progress towards being the employer of choice. The past year (2023) also saw a record 92% global workforce participation in the Great Places to Work engagement survey. The results from this survey show that our employees are engaged and are passionate about making Tecan an even better place to work. Their great ideas and suggestions show a positive appreciation for our progress in culture and leadership. The results have been shared with employees, and in 2024 each department will work on their own actions to continue to improve.

This Compensation Report describes Tecan's compensation principles and system. The report provides information about the method of determining compensation and discloses the compensation awarded during 2023 to the members of the Board of Directors and the Management Board. At the end of 2022, the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC) was commuted into new legislation as part of the Swiss Code of Obligations (OR). This report complies with the requirements laid out in the Swiss Code of Obligations, the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of the Swiss national federation economiesuisse.

CONTENTS

MESSAGE FROM THE CHAIR OF THE COMPENSATION COMMITTEE



DR. CHRISTA KREUZBURG

Chair of the Compensation Committee

DEAR SHAREHOLDERS

I am pleased to present Tecan's Compensation Report for the financial year 2023.

With this report, we offer you insights into our compensation principles and our compensation system. With both, we aim to be the employer of choice in our industry and to attract and retain the best talent. Our compensation system enables us to encourage excellence, combined with exemplary behavior in line with our values, and to reward outstanding performance in line with the interests of our shareholders.

In 2023 we sought your and proxy advisors' opinions and expectations concerning our Compensation Report. This led to the implementation of several new measures both on a policy level and regarding the clarity of this report, addressing three important areas: shareholder engagement, transparency, and participation.

In terms of shareholder engagement, we strengthened our dialogue and will continue to engage with you and proxy advisors to fully understand expectations, inform you about changes and explain those. This report already reflects the results of your feedback: after careful consideration we have implemented new requirements for our Management Board, and we provide more transparency where stakeholder input had been received. We did not change our compensation approach this year. We have continued our path with a harmonized short-term incentive plan with a standard set of group-wide strategic targets for all our senior management. This incentive plan has proven to be a great vehicle to foster collaboration and to incentivize high performance across the entire company while creating a healthy and open work culture. We strengthened the long-term commitment of our Management Board by introducing a new share ownership policy, which requires all Management Board members to hold a minimum amount of Tecan shares at any given time. A claw back clause has also been implemented for all Management Board members. Starting this year, we include additional information on target definitions and actual achievement levels for our short-term incentive programs.

It is important to us that all shareholders use the opportunity to be heard. Therefore, we encourage you to participate in the 2024 Annual General Meeting and to add your voice to the dialogue on Executive Compensation.

The company achieved a solid performance in 2023 in a challenging market environment. However, with an overall target achievement rate of 85%, the targets set in advance for the short-term variable cash compensation were not fully achieved. This report explains how the company results drove the compensation awarded to members of the Management Board under the incentive plans.

The Compensation Committee performed its regular activities during 2023. Those included performance goal setting at the beginning of the year, the corresponding performance assessment of the Management Board at year end, the determination of the compensation for the members of the Management Board and for the Board of Directors, as well as the preparation of the Compensation Report and the "say-on-pay" vote for the Annual General Meeting of Shareholders (Annual General Meeting).

We are committed to sharing detailed information regarding the compensation system and the compensation awarded to the Board of Directors and the Management Board. Specifically, we provide details regarding:

- Governance: compensation decisions, including the role of shareholders, the Compensation Committee, and external advisors
- Compensation model of the Board of Directors: the split between the fixed basic fee and the committee fees
- Compensation model of the Management Board: a description of the incentive plan performance criteria, their weights, and a performance assessment per goal at the end of the respective performance period
- Compensation table of the Management Board: including the compensation granted (and the compensation realized) in the reporting year

This Compensation Report will be submitted to an advisory vote at the upcoming Annual General Meeting. Shareholders will also be asked to vote on the maximum aggregate amount of compensation for the Board of Directors for the term of office from the 2024 Annual General Meeting until the 2025 Annual General Meeting, and on the maximum aggregate amount of compensation for the Management Board for the financial year 2025.

We hope that you find this report informative. We are confident that our compensation system rewards performance in a balanced and sustainable manner and is aligned with shareholders' interests. On behalf of the Board of Directors, I would like to thank you for your continued support.

GOVERNANCE

ARTICLES OF INCORPORATION

As described in the Corporate Governance Report on page 84 of this Annual Report, the Articles of Incorporation of Tecan include the following provisions on compensation:

- tasks and responsibilities of the Compensation Committee (Art. 17)
- compensation principles applicable to the Board of Directors and the Management Board (Art. 18 and 23)
- shareholders' voting modalities on compensation motions at the Annual General Meeting, including the additional amount for members of the Management Board who were nominated after the shareholders' approval of the maximum compensation amount (Art. 18)
- provisions around credits and loans to the Board of Directors and the Management Board (Art. 20)
- maximum permissible number of external mandates for members of the Board of Directors and the Management Board (Art. 21)
- provisions related to contractual agreements with members of the Management Board and the Board of Directors (Art. 22)

The full Articles of Incorporation are available on the corporate website: www.tecan.com/tecan-corporate-policies

SHAREHOLDER GUIDELINES FOR MANAGEMENT BOARD MEMBERS

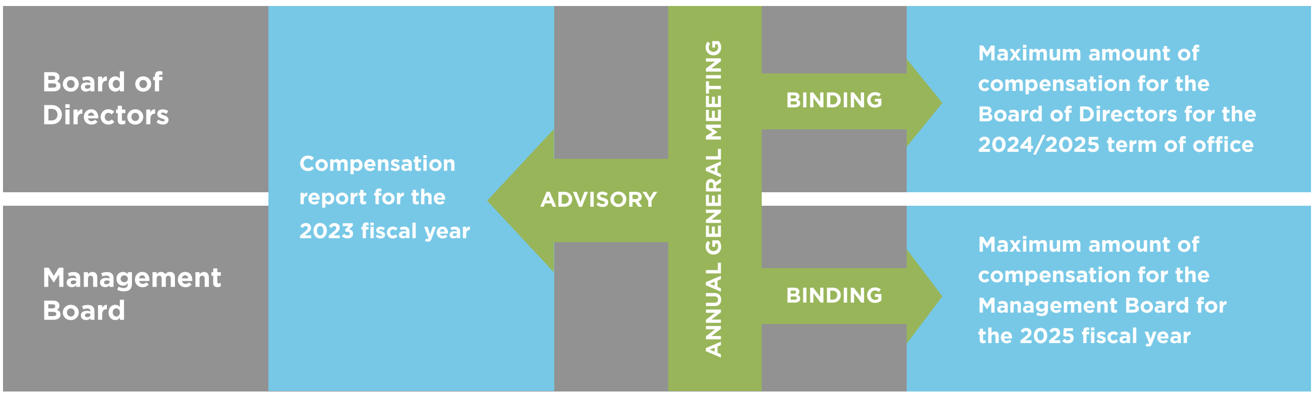
In 2023 the Board of Directors issued new Shareholder Guidelines for all Management Board Members, which came into effect on January 1, 2024. This guideline formally requires all Management Board members to hold a minimum amount of Tecan shares at any given time. The objective of this policy is to encourage and ensure that the Members of the Management Board have a vested interest in the long-term success and value creation of the company by holding a relevant amount of its shares. Each Member of the Management Board must hold a minimum amount of Tecan Group AG registered shares in their name and for their own account, corresponding to at least 170 percent of their annual base salary. Management Board Members are expected to build up their required shareholdings either by participation in the Performance Share Matching Plan of Tecan Group (PSMP) or by individual purchases at the stock market, subject to Tecan's Insider Trading Policy. Shares that have been granted but have not vested under the PSMP do not count as shares held by the Management Board Member. Each Management Board Member shall achieve the required level of permanent shareholding during the third year after start of their employment and shall maintain the permanent shareholding until the end of their employment contract.

ROLE OF SHAREHOLDERS ON COMPENSATION

The Ordinance against Excessive Compensation in Listed Companies, which was in place since January 1, 2014, was commuted into new legislation as part of the Swiss Code of Obligations (OR Art. 734) as per January 1, 2023. The compensation and approval mechanism at Tecan was amended accordingly in 2015 (and again reviewed in 2023) and is set out in the Company's Articles of Incorporation.

Each year, the Board of Directors proposes to the shareholders at the Annual General Meeting for their approval the maximum aggregate amount of compensation to the Board of Directors for the period until the next Annual General Meeting and to the Management Board for the following financial year. In addition, the Board of Directors presents the Compensation Report for a retrospective, advisory shareholder vote. The voting mechanism on the compensation motions is shown in illustration [1]. For further details on the compensation votes at the upcoming 2024 Annual General Meeting, please refer to the section "Outlook and Motions on Compensation at the Annual General Meeting".

Illustration [1]: Compensation and approval mechanism



COMPENSATION COMMITTEE

The Compensation Committee supports the Board of Directors and acts as preparatory body in all relevant compensation matters related to the Board of Directors and the Management Board. In accordance with the Articles of Incorporation and the Organizational Regulations of Tecan, the Compensation Committee is composed of at least two members of the Board of Directors who are elected individually by the Annual General Meeting for a period of one year. At the 2023 Annual General Meeting, the shareholders re-elected Dr. Christa Kreuzburg (Chair), Dr. Oliver Fetzer, Dr. Daniel Marshak and Myra Eskes as members of the Compensation Committee.

The Compensation Committee meets as often as business requires. In the year under review, the Compensation Committee held three meetings in total which all members attended, with an additional circular resolution. The CEO, CFO and Chief People Officer (CPO) may be invited to attend the meetings in an advisory capacity. Invited members of the Management Board do not take part in discussions on agenda items concerning their own performance or compensation. The Chair of the Compensation Committee reports to the Board of Directors regularly on the activities of the Committee. Minutes are kept of the meetings and are available to all members of the Board of Directors.

The Compensation Committee acts in a preparatory capacity and proposes motions to the Board of Directors for approval. The Board of Directors approves the compensation policies for the entire Group as well as the general conditions of employment for members of the Management Board. The Compensation Committee took the decision in 2021 due to high volatility in salary changes and due to Tecan's growth strategy to benchmark every year the compensation of the Management Board. The compensation of the Board of Directors is more stable and will therefore be benchmarked from 2021 onwards only every three years. Both benchmarking exercises are executed with the help of independent external consultants. The Compensation Committee proposes and submits compensation amounts to the Board of Directors for approval. The Board of Directors reviews and approves the performance achievement of the members of the Management Board and the actual variable cash compensation to be paid out. The approval and authority levels of the different bodies on compensation matters are detailed in illustration [2] below.

Illustration [2]: Decision authorities in compensation matters

	CEO	Compensation Committee	Board of Directors	Annual General Meeting
Group compensation policy and principles		Proposes	Approves	
Maximum aggregate amount of compensation of members of the Board of Directors		Proposes	Reviews	Approves
Individual compensation of members of the Board of Directors		Proposes	Approves	
Maximum aggregate amount of compensation of the Management Board		Proposes	Reviews	Approves
Performance target setting and assessment of the CEO		Proposes	Approves	
Performance target setting and assessment of other members of the Management Board	Proposes	Approves	Reviews	
CEO compensation		Proposes	Approves	
Individual compensation of other members of the Management Board	Proposes	Reviews	Approves	
Compensation report	Proposes	Reviews	Approves	Advisory vote

BENCHMARKING SUPPORTED BY EXTERNAL CONSULTANTS

Tecan periodically reviews the total compensation for the members of the Management Board and Board of Directors, comparing data from executive compensation surveys and published benchmarks from companies of similar size in terms of market capitalization, revenue, number of employees, geographic reach, etc., and/or which are operating in related industries.

In 2023 an independent external consultant conducted the annual benchmarking analysis of the compensation of the Management Board. The consultant has no other consulting engagements with Tecan. However, Tecan also procures market data for non-executive positions from the same source. A demanding labor market, combined with an increased volatility in compensation in the target industry as well as Tecan's growth trajectory, brought the Compensation Committee to the conclusion that from 2021 onwards, benchmarking analysis should be conducted annually. As in the previous year, taking into account Tecan's global footprint, the evaluation of the compensation levels and structure was compared to a transnational peer group: The peer group[1] consists of listed companies only within life sciences and diagnostics, comprising similar companies found within Tecan's operating markets in Europe and the US. It is focused and homogenous and allows for stability in the peer group in the coming years. The peer group is unchanged compared to the previous year. At the time of the analysis, Tecan positioned between the 25th percentile and the median of the peer group on market capitalization and employee count and at the mid-point on revenue. This positioning allows Tecan to continuously grow within the peer group as is currently anticipated. The EU/US peer group represented a 67%/33% split. Companies in the peer group operate in the same industry and target similar candidates and therefore compete with Tecan in the recruitment market. As a general outcome and compared to the peer group, the cash compensation paid to individual members of the Management Board was confirmed to be slightly below market practice. If the long-term incentive targets are significantly exceeded, (and only then), the total compensation may increase to levels above the market median. Consistent with earlier benchmarking exercises conducted in the past, the analysis showed that the compensation system at Tecan is more weighted towards the long-term incentive, while short-term compensation is positioned below market levels.

In 2023, consistent with the decision made in 2021, Tecan has not performed a benchmarking analysis of the structure and level of the Board compensation. Therefore, no proposal will be made to adjust the Board compensation for the upcoming period. The next Board of Directors benchmark will take place in 2024.

COMPENSATION PRINCIPLES

Tecan applies a set of uniform compensation policies, which are systematic, transparent and focused on the long-term perspective.

In line with good corporate governance, the compensation for the Board of Directors is fixed and does not contain any performance-based elements. This strengthens the Board's independence in exercising its supervisory duties towards executive management. The fixed compensation is delivered in cash and in shares to strengthen the alignment with shareholders' interests.

The compensation for the members of the Management Board is based on the following factors: financial performance of the Company, achievement of strategic goals including corporate sustainability goals, position within the Management Board and labor market situation. The ultimate goal of the compensation system is to attract and retain highly qualified and motivated employees, to ensure their long-term loyalty to the Company, incentivize performance and to align their interests with those of Tecan's shareholders. The fixed and variable cash compensation programs are designed to cover the basic requirements, while the long-term incentive plan aligns total compensation with the long-term financial success of the Group and the value creation for shareholders of the Company.

In 2023, the Board of Directors introduced a claw back clause for all Management Board Members. This claw back clause formalizes Tecan's right in case of fraud, willful misconduct or a restatement of financial results to reclaim any part of the short-term or long-term incentive payment linked to misstated financial indicators, during a period of three years preceding the occurrence of a claw back event. The contractual amendment came into effect on January 1, 2024.

[1] European Companies: Lonza Group AG, Mettler-Toledo International Inc, Eurofins Scientific SE, Smith & Nephew PLC, Carl Zeiss Meditec AG, Qiagen NV, GN Store Nord A/S, Evotec SE, Elekta AB, LivaNova PLC, Siegfried Holding AG, Bachem Holding AG; US Companies: PerkinElmer Inc, Bio-Techne Corp, Bruker Corp, Sotera Health Co, Neogenomics Inc, Medpace Holdings Inc.

COMPENSATION SYSTEM OF THE BOARD OF DIRECTORS

There is no performance-based compensation for Board members and members of the Board of Directors are not insured in the Company pension plan. The fixed compensation consists of a fee for services paid in cash and in Restricted Share Units (RSUs), as well as additional committee fees paid in cash. The cash compensation is paid in two settlements in May and November, while the RSUs are allocated annually at the beginning of the term of office on the basis of the Tecan share's average closing price on the SIX Swiss Exchange during the first four months of the relevant financial year. The RSUs fully vest and are converted into Tecan shares upon completion of the annual term, or pro rata in the event of an early exit.

The Compensation Committee does not see the necessity of proposing adjustments to the compensation levels at the upcoming Annual General Meeting. The compensation of the Board of Directors was approved by the Board of Directors, and at the 2023 Annual General Meeting, as described in table [1] below:

Table [1]:

	Until 2023 Annual General Meeting			Since 2023 Annual General Meeting		
In CHF per year (gross)	Chair of the Board	Vice-chair of the Board	Member of the Board	Chair of the Board	Vice-chair of the Board	Member of the Board
Fixed basic fee (cash)	200,000	90,000	80,000	200,000	90,000	80,000
Fixed basic fee (shares)	100,000	55,000	45,000	100,000	55,000	45,000

	Until 2023 Annual General Meeting		Since 2023 Annual General Meeting	
	Committee Chair	Committee Member	Committee Chair	Committee Member
Audit Committee	30'000	10,000	30,000	10,000
Compensation Committee	30'000	10,000	30,000	10,000
Nomination and Governance Committee	30'000	10'000	30,000	10,000

In addition, members of the Board of Directors receive committee fees for ad-hoc committee meeting participation. They receive reimbursement for business travel expenditures incurred, and a travel fee (for members located overseas only).

COMPENSATION SYSTEM OF THE MANAGEMENT BOARD

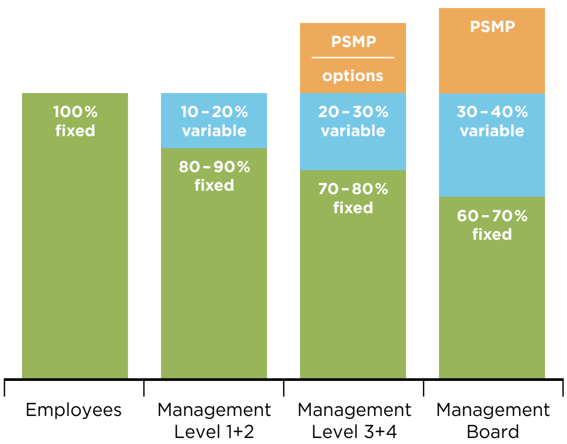
The compensation system for members of the Management Board (including the CEO) did not change compared to the previous year. It is defined in several regulations adopted by the Board of Directors and comprises:

- fixed base salary
- employee benefits, such as pension benefits, company car and expense allowance
- short-term variable cash compensation
- long-term equity incentive award, as a fixed monetary amount which is converted into shares and serves as initial grant for the Performance Share Matching Plan (PSMP)

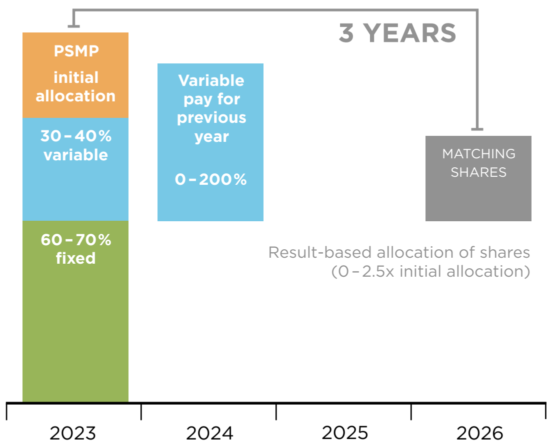
Illustration [3]: Compensation of the Management Board

	Vehicle	Purpose	Plan period	Performance measured
Fixed base salary	Monthly salary in cash	Attract and retain	Continuous	
Benefits	Monthly benefits	Attract and retain	Continuous	
Short-term variable cash compensation	Annual bonus in cash	Reward annual performance	1 year	Sales growth EBITDA margin Strategic corporate Sustainability goals Achievement
Long-term equity incentive award – PSMP	Grant of initial shares and matching shares	Reward long-term performance Align with shareholders' interests	3 year	Sales growth EBITDA margin

Structure of the compensation system



Structure of the compensation system Management Board



= cash compensation

For illustrative purposes only. Does not reflect actual data.

The compensation structure is based on a variable pay policy adopted by the Board of Directors, which provides for a total target cash compensation determined individually, consisting of a fixed base salary and a short-term variable cash compensation component. The total target cash compensation (assuming 100% target performance achievement under the short-term variable cash compensation) is weighted as follows:

- CEO: 60% fixed base salary and 40% short-term variable cash compensation
- other members of the Management Board: 70% fixed base salary and 30% short-term variable cash compensation

In addition, members of the Management Board are eligible for an annual grant under the long-term equity incentive plan (PSMP). The short-term and long-term incentive plans are primarily based on the same underlying drivers of shareholder value: sales growth and improvements in operating profitability. In the life sciences and healthcare sector Tecan's ambition is to outgrow the market sustainably and with continued, simultaneous improvements in profitability. Therefore, Tecan finds these two parameters to be the best indicators of the creation of shareholder value in the Company's industry. A key difference between the short- and long-term incentives plans is the inclusion of a meaningful percentage share of specific timebound targets in the short-term incentive plan.

The compensation is subject to mandatory employer social security contributions (AHV/ALV). These contributions are paid by Tecan and are disclosed in the compensation report in compliance with Tecan's reporting obligations.

FIXED BASE SALARY AND BENEFITS

The fixed base salary is a component of compensation paid in cash, typically monthly. It reflects the scope and key responsibilities of the role as well as the qualification and skills required to perform the role, along with the employee's skill set and experience.

Fixed base salaries of the Management Board are reviewed annually, taking into consideration the benchmark information, market movement, economic environment, and individual performance.

In addition, the members of the Management Board participate in the pension and insurance plan of Tecan which is also offered to all employees in Switzerland. Benefits consist mainly of contributions to the retirement and insurance plan which is designed to provide a reasonable level of protection for employees and their dependents with respect to the risk of retirement, disability, death, and long-term illness. Members of the Management Board are also provided with a company car and are eligible to an expense allowance in line with the expense regulation, which is approved by the Swiss tax authorities.

The monetary value of that and other elements of compensation is evaluated at fair value and is included in the compensation table in table [5].

SHORT-TERM VARIABLE CASH COMPENSATION

The short-term variable cash compensation is an annual variable incentive designed to reward the performance of the Group over a time horizon of one year.

The short-term variable cash compensation target (i.e., at 100% target achievement of the performance objectives) is expressed as a proportion of the total target cash compensation, as explained above, i.e., 40% of the total target cash compensation for the CEO and 30% for the other members of the Management Board.

In 2023 Tecan continued to offer all members of the Management Board a harmonized set of performance objectives. Hence, there are no individual performance goals in the short-term variable cash compensation, and it is solely based on Group financial performance objectives and corporate sustainability goals. The ambitious growth and profitability targets are set annually before the beginning of the financial year by the Board of Directors and assessed at the year end. For 2023, the same underlying financial performance indicators were applied as in previous years: sales growth in local currencies and the EBITDA margin of the Group. They are equally weighted and account for 80% of the short-term variable cash compensation. The corporate sustainability goals amount to 20% of the short-term variable cash compensation and are defined at Group level based on the strategic sustainability priorities of the Company. For 2023, the sustainability goals were related to social and governance aspects. For social aspects, the focus was on enhancing Tecan's working culture and leadership competences. For governance, the focus was on the introduction of a new global health & safety management system and a best practices global responsible sourcing program. For each performance objective, the Board of Directors determines a threshold level of performance below which the payout percentage is 0%, a target level of performance corresponding to a 100% payout and a maximum level of performance, above which the payout is capped at 200%. Payout levels between the threshold, the target and the maximum are calculated by linear interpolation.

In addition, the Articles of Incorporation stipulate that the short-term variable cash compensation may not exceed 150% of the fixed salary for the CEO and 100% for the other members of the Management Board.

The respective weightings of the performance objectives are included in illustration [4].

Illustration [4]: Performance objectives for the short-term variable cash compensation

2023 objectives	Rationale/driver	Weighting
Sales growth in local currencies (Group)	To drive the top-line growth of Tecan	40%
EBITDA margin (Group)	To drive the bottom-line profitability of Tecan	40%
Corporate sustainability goals	To drive strategic initiatives to manage Tecan's environmental, social and governance impact	20%
Total		**100%**

LONG-TERM EQUITY INCENTIVE AWARD – PERFORMANCE SHARE MATCHING PLAN (PSMP)

In addition to the cash compensation, the members of the Management Board participate in a long-term equity incentive award, the Performance Share Matching Plan (also referred to as executive restricted stock). The PSMP consists of an initial grant of registered shares and a potential subsequent allocation of matching shares based on the achievement of performance objectives during a three-year plan period.

The target amount of the initial grant is expressed as a fixed monetary amount, which is converted into shares based on the Tecan share's average closing price on the SIX Swiss Exchange during the first four months of the relevant financial year. The shares allocated are blocked for three years – starting in the grant year as "year one". For each granted share, members of the Management Board are eligible to receive additional shares ("matching shares") at the end of the three-year measurement cycle if certain performance objectives are reached. This mechanism ensures that the interests of the Management Board are aligned with those of the shareholders, and it also ensures a permanent minimum level of share ownership of the CEO and of each member of the Management Board that is equivalent to the initial grants of three years.

An alternative share-blocking period of five years was discussed with stakeholders and considered in 2023. As peer benchmarking has shown that Tecan's Management Board compensation is already structured towards longer term rather than short-term reward relative to peers, increasing this emphasis further with a longer share-blocking period of five years was assessed as being on balance not supportive of Tecan's talent attraction and retention ambitions. To avoid this effect, a five-year blocking period would have to be offset with higher short-term rewards, and the overall result would be less aligned with the interests of Tecan's shareholders.

Depending on the performance achievement during the three-year period, members of the Management Board may receive from 0 up to 2.5 matching shares for each share granted in year one. The performance is assessed using a payout matrix based on two performance criteria: sales growth in local currencies and EBITDA margin. The matrix combines the performance of each of the criteria to calculate the payout, thus providing for a balanced focus on both top-line and bottom-line achievements. Every year, Tecan's Board of Directors reviews and approves a rolling five-year mid-term business plan presented by the Management Board, including targets for sales growth in local currencies and EBITDA margin. In the event that the mid-term targets are achieved for the three years covering a specific PSMP, an additional 1.25 matching shares for each initial share will be allocated to members of the Management Board. A payout factor of 2.5 would require an achievement significantly above the defined mid-term targets on the two performance criteria. An achievement level below a certain threshold on any of the criteria results in no additional matching shares. Different combinations of sales growth and EBITDA margin achievements within those ranges lead to payouts between a factor of 0 and a factor of 2.5.

The parameter grid is specified each year on a forward-looking basis for the coming three-year period (i.e., financial objectives are pre-determined upfront). Prospective disclosure of actual examples of implementation of Tecan's Performance Share Matching Plan for the three-year cycle 2024 – 2026 is shown via the chart and table further below. These show that the design of the PSMP is effective: in line with Tecan's ambitious target-setting, substantial progress needs to be made to reach the maximum payout factor of 2.5 upon expiry of the performance cycle.

In case of voluntary resignation (other than for retirement), the entitlement to any matching shares is forfeit. The initial shares granted are subject to a regular blocking period. In case of death, invalidity or change of control, the initially granted shares deblock immediately with an allocation of matching shares as soon as possible after such occurrence. In case of a termination for cause of the employment contract by the employer, any entitlement to matching shares is forfeited and any initial grants of each running cycle have to be returned by the employee. The immediate unblocking of shares in the event of a change of control was a topic reviewed with stakeholders in 2023, in particular the concern that this clause in the PSMP could hinder a change of control. The total value of shares in scope of this consideration has a strong influence on whether such an unblocking provision could hinder or rather facilitate a change of control. In Tecan's case, the value of shares in scope relative to the total value of the company and importance of Management Board facilitation for a beneficial change of control opportunity leads the Board of Directors to the conclusion that the clause regarding the immediate unblocking of shares should continue to stay in effect for the Performance Share Matching Plan.

Illustration [5]: Prospective performance measures for the performance matching shares (examples) for three-year cycle 2023-2025

Performance measures	Sales growth	EBITDA
Driver/rationale	To drive top-line growth of the company	To drive the bottom-line profitability of the company
Weighting	Two-thirds	One-third
Payout matrix		

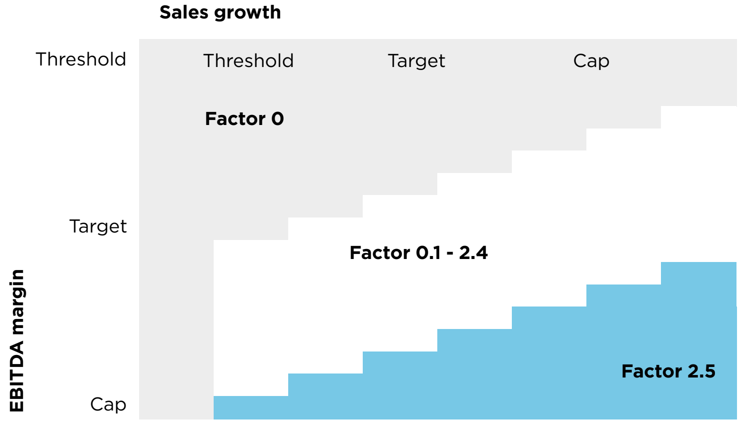


Table [2]: Prospective performance measures for the performance matching shares (examples) for three-year cycle 2023-2025

Payout matrix (actual examples of sales growth and EBITDA margin combination for a payout factor of 0.5)	Sales growth (CAGR) in local currency	Adjusted EBITDA margin
	4.0%	20.25%
	9.5%	18.25%
	15.0%	16.5%
Payout matrix (actual examples of sales growth and EBITDA margin combination for a payout factor of 1.2)	Sales growth (CAGR) in local currency	Adjusted EBITDA margin
	3.0%	21.75%
	6.5%	20.25%
	13.5%	17.75%
Payout matrix (actual examples of sales growth and EBITDA margin combination for a payout factor of 2.5)	Sales growth (CAGR) in local currency	Adjusted EBITDA margin
	4.0%	23.25%
	8.0%	21.5%
	12.0%	20.0%

EMPLOYMENT CONTRACTS

Members of the Management Board are employed under employment contracts of unlimited duration. The employment contract of the CEO is subject to a notice period of 12 months, while all other employment contracts of members of the Management Board are subject to a notice period of 6 months. Management Board members are not contractually entitled to any severance payments or any change of control provisions other than those under the PSMP termination provisions. Their contracts do not contain non-competition provisions.

EXTERNAL MANDATES

Tecan's Compensation Report now includes the external mandates in other companies held by members of the Board of Directors and Management Board. This information has previously been shared via the Corporate Governance section of Tecan's Annual Report, and is duplicated here to meet the requirements of the Swiss Code of Obligations (Art. 626-2-1 and Art. 734e). All relevant external mandates are shown in table [3] below.

Table [3]: Members with external mandates, as per December 31, 2023 (audited)

	Mandates in listed companies	Mandates in non-listed companies
Board of Directors		
Dr. Lukas Braunschweiler (Chairman)	Sonova Holding AG (Stäfa, CH), Member of the Board of Directors	none
Myra Eskes	none	none
Matthias Gillner	none	Hilti Group, (Schaan, FL), Member of the Board of Directors
Dr. Oliver Fetzer	none	Viridos (La Jolla, USA), President and Chief Executive Officer, Member of the Board of Directors
Dr. Karen Huebscher	Sandoz Group (Basel CH), Vice-Chairwoman	BBI Group (Crumlin, UK), Member of the Board of Directors
Dr. Christa Kreuzburg	Catalent Inc (Somerset, USA), Member of the Board	none
Dr. Daniel R. Marshak	none	RareCyte, Inc. (Seattle, USA), Member of the Board of Directors
Management Board		
Dr. Achim von Leoprechting	none	none
Tania Micki	none	EHL Holding SA (Lausanne, CH), Member of the Board of Directors and the Board of Trustees of the EHL Foundation
Ralf Griebel	none	none
Ulrich Kanter	none	Toolpoint for Lab Science (Egg, CH), Member of the Board of Directors
Dr. Klaus Lun	none	CrestOptics: Non-Executive Director, Member of the Board of Directors
Erik Norström	none	Labforward GmbH (Berlin, Germany), Member of the Board of Directors
Ingrid Pürgstaller	none	none
Andreas Wilhelm	none	none
Dr. Wael Yared	none	none

COMPENSATION TO THE BOARD OF DIRECTORS (AUDITED)

Table [4]: Annual compensation to the board of directors in 2023 and 2022

CHF 1,000	Year	Fixed fee	Committee fee	Total cash compensation	Social benefits[1]	Share award plan: shares granted (number)[2]	Fair value of shares granted[3]	Total compensation
Dr. Lukas Braunschweiler (Chairman)	**2023**	**200**	**3**	**203**	**18**	**256**	**98**	**319**
	2022	200	-	200	16	256	75	291
Heinrich Fischer (Vice Chairman)	**2023**	**30**	**7**	**37**	**3**	**141**	**54**	**94**
	2022	90	20	110	1	141	41	152
Myra Eskes	**2023**	**80**	**22**	**102**	**11**	**115**	**44**	**157**
	2022	53	7	60	5	115	34	99
Dr. Oliver S. Fetzer	**2023**	**80**	**33**	**113**	-	**115**	**44**	**157**
	2022	80	30	110	-	115	34	144
Matthias Gillner	**2023**	**53**	**5**	**58**	**4**	**-**	**-**	**62**
	2022	-	-	-	-	-	-	-
Dr. Karen Huebscher	**2023**	**80**	**42**	**122**	**13**	**115**	**44**	**179**
	2022	80	37	117	14	107	47	178
Dr. Christa Kreuzburg	**2023**	**80**	**42**	**122**	**13**	**115**	**44**	**179**
	2022	80	40	120	12	115	34	166
Dr. Daniel R. Marshak	**2023**	**80**	**23**	**103**	**-**	**115**	**44**	**147**
	2022	80	20	100	-	115	34	134
Total	**2023**	**683**	**177**	**860**	**62**	**972**	**372**	**1,294**
Total	2022	663	157	820	46	972	286	1,152

1 Employer's contribution to social security

2 Vesting condition: Graded vesting from May 1, 2022 to April 30, 2023 (Share Plan BoD 2022) and from May 1, 2023 to April 30, 2024 (Share Plan BoD 2023). Vested shares are transferred at the end of the service period (April 30, 2023 and April 30, 2024, respectively). The shares are fully included in the amount of fair value of shares granted

3 Formula for 2022: Shares granted in 2022 * fair value at grant (CHF 291.40) and formula for 2023: Shares granted in 2023 * fair value at grant (CHF 383.60)

At the 2022 Annual General Meeting, shareholders approved a maximum aggregate compensation amount of CHF 1,450,000 for the Board of Directors for the compensation period from the 2022 Annual General Meeting until the 2023 Annual General Meeting. The actual compensation paid to the Board of Directors for 2023 was CHF 1,293,272.

At the 2023 Annual General Meeting, shareholders approved a maximum aggregate compensation amount of CHF 1,450,000 for the Board of Directors for the term from the 2023 Annual General Meeting until the 2024 Annual General Meeting. This compensation period is not completed yet and a conclusive assessment will be provided in the 2024 Compensation Report.

COMPENSATION TO THE MANAGEMENT BOARD (AUDITED)

COMPENSATION AT GRANT VALUE

The table [5] shows the compensation of the CEO and the other members of the Management Board granted in the reporting year.

Table [5]: Granted compensation

CHF 1,000 (gross amounts)	Year	Fixed Base Salary	Taxable fringe benefits	Social benefits[1]	Short-term variable compen-sation[2]	Fair value of PSMP initial shares (in the year of grant)[3]	Fair value of PSMP matching shares (in the year of grant)[4]	**Total compen-sation** (granted)	Number of granted / awarded shares: PSMP: number of shares initial grant	PSMP: number of matching shares (at factor 1.25)	PSMP: number of matching shares (at maximum)
Dr. Achim von Leoprechting[5] (CEO)	**2023**	**671**	**15**	**342**	**380**	**774**	**967**	**3,149**	**2,017**	**2,521**	**5,043**
	2022	660	13	370	649	496	620	2,808	1,701	2,126	4,253
Tania Micki[6] (CFO)	**2023**	**396**	**11**	**197**	**144**	**387**	**484**	**1,619**	**1,009**	**1,261**	**2,523**
	2022	384	11	133	243	298	373	1,442	1,023	1,279	2,558
Other members of the Management Board[7]	**2023**	**2,166**	**64**	**1,168**	**790**	**2,008**	**2,511**	**8,696**	**5,234**	**6,543**	**13,087**
	2022	2,113	64	1,123	1,336	1,532	1,916	8,084	5,258	6,573	13,145
Total	**2023**	**3,233**	**90**	**1,707**	**1,314**	**3,169**	**3,962**	**13,475**	**8,260**	**10,325**	**20,653**
	2022	3,157	88	1,626	2,228	2,326	2,909	12,334	7,982	9,978	19,956

[1] Employer's contribution to social security and contributions to post-employment benefit plans (including social security on shares transferred during the reporting period). This does not include CHF 11,000 in contributions for former Management Board members, which are included in the Total Compensation figure

[2] Payment will be made in the following year

[3] Formula for 2022: Shares granted in 2022 * fair value at grant (CHF 291.40)

[3] Formula for 2023: Shares granted in 2023 * fair value at grant (CHF 383.60)

[4] Formula for 2022: Shares granted in 2022 * fair value at grant (CHF 291.40) * 1.25. The disclosed amount corresponds to the fair value of the matching shares at the time of grant (e.g. based on performance achievement at target). This value may differ from the value of the accruals disclosed under IFRS reporting, as those are based on a best-estimate at the end of the reporting year

[4] Formula for 2023: Shares granted in 2023 * fair value at grant (CHF 383.60) * 1.25. The disclosed amount corresponds to the fair value of the matching shares at the time of grant (e.g. based on performance achievement at target). This value may differ from the value of the accruals disclosed under IFRS reporting, as those are based on a best-estimate at the end of the reporting year

[5] Member of the Management Board with the highest compensation in 2022 and 2023

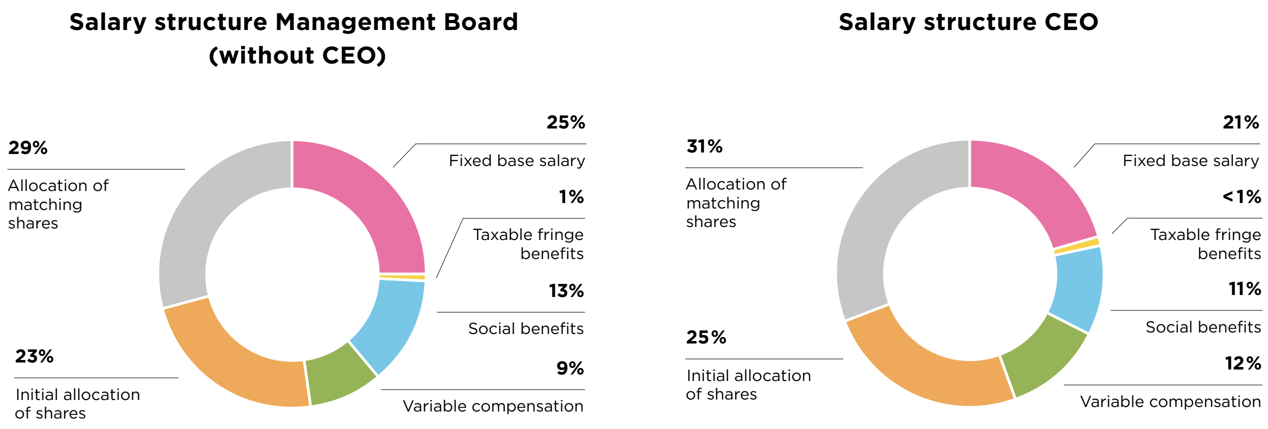
[6] Member of the Management Board with the second highest compensation in 2022 and 2023

[7] 2022 and 2023: Total seven members

Explanatory comments on the compensation table:
Details for the achievement of targets for short-term variable cash compensation in 2023 are given below.

At the 2022 Annual General Meeting, shareholders approved a maximum aggregate compensation amount of CHF 20,500,000 for the Management Board for the financial year 2023. The actual compensation awarded to the Management Board in 2023 was CHF 13,473,763 and is therefore within the approved limits.

Illustration [6]: Compensation mix



PERFORMANCE IN 2023

Tecan achieved a solid performance in 2023 in a challenging market environment. Underlying sales for fiscal year 2023 increased by 6.3% in local currencies, excluding the effects of lower COVID-related sales and a lower pass-through of material costs compared to the prior-year period. However, reported sales for the Group for fiscal year 2023 decreased in comparison to fiscal year 2022 by 1.3% in local currencies, leading to a payout ratio of just 12% for this component of the short-term variable cash compensation.

The non-adjusted EBITDA target resulted in a payout ratio of 133% for this component. With an achievement rate of 120% and 150% respectively, the sustainability objectives for cultural development and governance exceeded the pre-set targets.

The financial performance indicators were equally weighted and accounted for 80% of the short- term variable cash compensation and the sustainability targets accounted for the remaining 20%. A detailed overview of the individual achievements relative to their set target is shown in illustration [7] below.

In the year under review, the 2021 to 2023 PSMP cycle came to an end. In the 2020 Annual Report the performance objectives for the three-year cycle 2021-2023 were disclosed prospectively, just as the current cycle is set out in table [2], above.

The actual performance achievement over the performance period resulted in a matching share factor of 2.5. This reflects for the cycle 2021 to 2023 an average growth rate of 15.42% and an average EBITDA margin of 21.22%, therefore significantly outperforming the defined mid-term targets on the two performance criteria. For the year 2023, the impact of the contractual pass-through of higher material costs in one part of the business has again been excluded to avoid its distortionary effect.

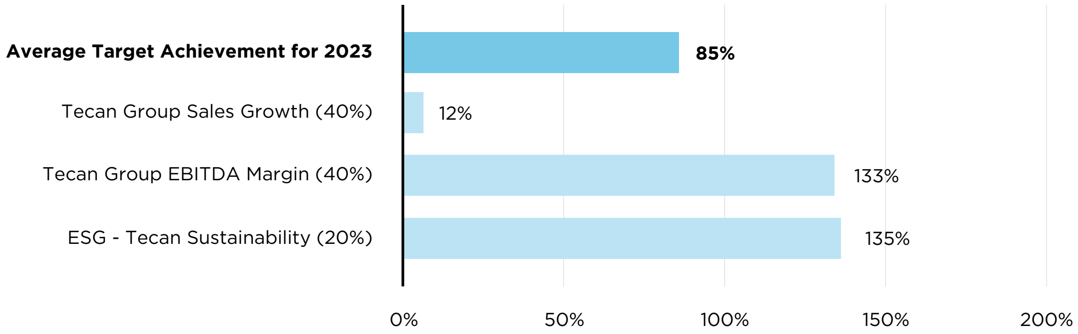
COMPENSATION TO FORMER MEMBERS OF GOVERNING BODIES

No compensation was paid to former members of the Board of Directors or the Management Board in 2023 after the end of their term of office or contract with Tecan, respectively. Former members of the Management Board received matching shares out of the PSMP 2020-2022 plan.

COMPENSATION TO RELATED PARTIES

No compensation was paid in 2023 or the previous year to parties related to present or former members of the Board of Directors or the Management Board.

Illustration [7]: 2023 short-term incentive target achievement



LOANS AND CREDITS

CURRENT AND FORMER MEMBERS OF GOVERNING BODIES

Neither in 2023 nor in the previous year were any loans or credits extended to current or former members of the Board of Directors or the Management Board that remained outstanding at the end of the year.

RELATED PARTIES

Neither in 2023 nor in the previous year were any loans or credits extended to related parties of current or former members of the Board of Directors or the Management Board that remained outstanding at the end of the year.

SHAREHOLDINGS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD IN 2023 (AUDITED)

SHARE AND OPTION OWNERSHIP OF THE BOARD OF DIRECTORS AND MANAGEMENT BOARD

For details of the employee participation plans please refer to note 12.4 of the consolidated financial statements.

Table [6]: Share and option ownership of the Board of Directors

Number	Year	Total options	Total shares
Dr. Lukas Braunschweiler (Chairman)	2022	-	**1,534**
	2023	-	**1,790**
Myra Eskes	2022	-	-
	2023	-	**115**
Heinrich Fischer (until April 2023)[1]	2022	-	**17,347**
	2023	-	-
Matthias Gillner (since April 2023)[2]	2022	-	-
	2023	-	**70**
Dr. Oliver S. Fetzer	2022	-	**3,141**
	2023	-	**3,256**
Dr. Karen Huebscher	2022	-	**868**
	2023	-	**983**
Dr. Christa Kreuzburg	2022	-	-
	2023	-	**115**
Dr. Daniel R. Marshak	2022	-	**643**
	2023	-	**758**
Balance at December 31, 2022		-	**23,533**
Balance at December 31, 2023		-	**7,087**

[1] Shares and share options in 2023 are not disclosed because the member of the Board stepped down before year-end 2023.

[2] Shares and share options in 2022 are not disclosed because the member of the Board joined after year-end 2022.

Table [7]: Share and option ownership of the Management Board

Number	Year	Total options	Total shares
Dr. Achim von Leoprechting (CEO)	2022	-	**4,742**
	2023	-	**4,998**
Tania Micki (CFO)	2022	-	**2,896**
	2023	-	**2,838**
Ralf Griebel	2022	-	**2,503**
	2023	-	**2,312**
Ulrich Kanter	2022	-	**2,620**
	2023	-	**2,310**
Dr. Klaus Lun	2022	-	**5,053**
	2023	-	**2,458**
Erik Norström	2022	-	**2,316**
	2023	-	**2,049**
Ingrid Pürgstaller	2022	-	**1,647**
	2023	-	**1,839**
Andreas Wilhelm	2022	-	**2,282**
	2023	-	**2,012**
Dr. Wael Yared	2022	-	**2,458**
	2023	-	**4,361**
Balance at December 31, 2022		-	**26,517**
Balance at December 31, 2023		-	**25,177**

OUTLOOK AND MOTIONS ON COMPENSATION AT THE ANNUAL GENERAL MEETING

At the 2024 Annual General Meeting, the Board of Directors will propose:

- the maximum aggregate compensation amount for the Board of Directors, for the next term of office (binding vote)
- the maximum aggregate compensation amount for the Management Board, for the financial year 2025 (binding vote)
- the 2023 Compensation Report (retrospective advisory vote)

MAXIMUM AGGREGATE COMPENSATION AMOUNT FOR THE BOARD OF DIRECTORS

The maximum aggregate compensation amount for the Board of Directors for the term of office between the 2024 and the 2025 Annual General Meeting submitted to vote is based on the following elements:

- an increase from seven to eight members on the Board of Directors, reflecting the growing size of the of the company and the need for additional Medtech business experience following the acquisition of Paramit
- uplift of the target board remuneration from CHF 1.45 million to 1.7 million for the term starting in 2025, reflecting the additional board member
- fixed basic fee paid in cash and restricted share units
- committee fees paid in cash
- additional committee fees for ad-hoc committees and a travel fee (for members of the Board of Directors located overseas only)

MAXIMUM AGGREGATE COMPENSATION AMOUNT FOR THE MANAGEMENT BOARD

The maximum aggregate compensation amount to the Management Board for the financial year 2025 submitted to vote is based on the following elements:

- nine members of the Management Board
- short-term variable cash compensation: the maximum amount assumes that the defined performance objectives are significantly exceeded and that the short-term variable cash compensation payout amounts to 200% (maximum)
- long-term equity incentive award (PSMP): the maximum amount is based on a matching share factor of 2.5 (maximum). A possible share price appreciation during the three-year vesting period is not considered

Table [8] below shows a comparison between the maximum aggregate compensation amounts approved and the compensation effectively awarded in recent years.

Table [8]: Compensation approved versus awarded (Management Board)

In CHF per year (gross)	Fiscal year 2025[1]	Fiscal year 2024	Fiscal year 2023	Fiscal year 2022
Approved compensation amount	n.a.	20,500,000	20,500,000	18,500,000
Compensation awarded	n.a.	n.a.[2]	13,473,763	12,332,700

[1] to be proposed to the 2024 Annual General Meeting
[2] compensation period not yet completed

Note: The approved compensation amount is based on the assumption that all performance indicators under both the short-term variable cash compensation and the PSMP will be significantly overachieved and that the payout factor will be at the maximum possible level. The approved compensation amount does not account for any share price appreciation over the three-year period of the PSMP. The awarded compensation amount is based on the short-term variable cash compensation effectively paid and on the fair value of the initial shares and of the matching shares granted under the PSMP in the respective year.

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To the General Meeting of
Tecan Group Ltd., Männedorf

Zurich, 7 March 2024

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

Opinion
We have audited the compensation report of Tecan Group Ltd. (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 111 to 116 of the compensation report.

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

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

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

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

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

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

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

Board of Directors' responsibilities for the compensation report
The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable

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the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

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

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

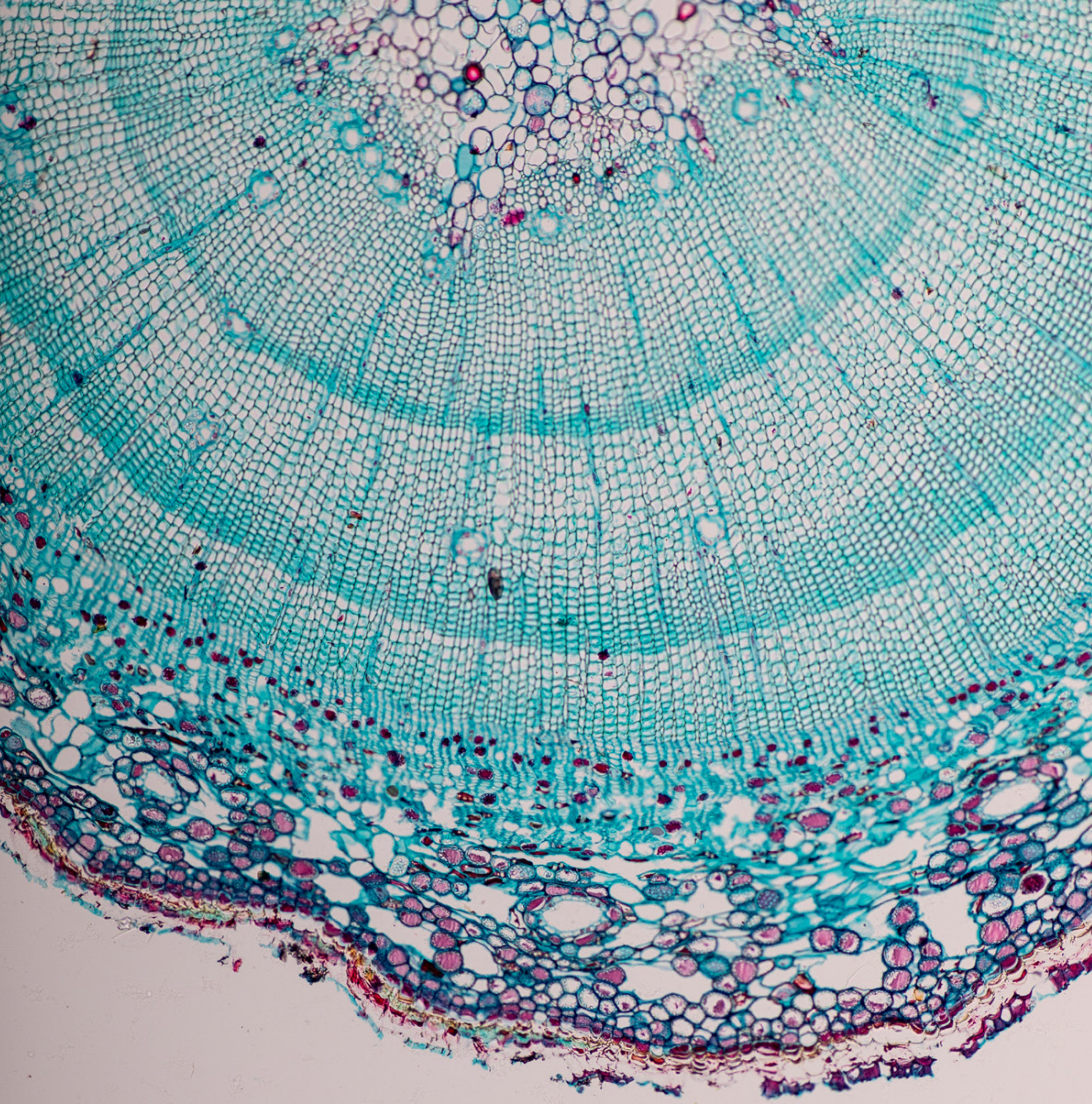
- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

Ernst & Young Ltd

Martin Mattes Licensed audit expert (Auditor in charge)	Pascal Solèr Licensed audit expert



FINANCIAL REPORT 2023

CHIEF FINANCIAL OFFICER'S REPORT

Tania Micki
Chief Financial Officer

I am particularly pleased with the 25.2% increase in cash flow from operating activities.

ORDER ENTRY AND SALES

Full-year order entry was CHF 1,028.1 million (2022: CHF 1,132.9 million or CHF 1,078.1 million when compared in local currencies), down 9.3% year-on-year, or 4.6% in local currencies compared to the substantial order entry in 2022, when COVID-related orders as well as orders related to the material cost pass-through still contributed to the high order intake. With solid inflow of new orders close to the level of sales, the book-to-bill ratio reached a value of 0.96. Excluding the effects of lower COVID-related orders and orders related to the pass-through of material costs, underlying order entry grew in the low single-digit percentage range in local currencies.

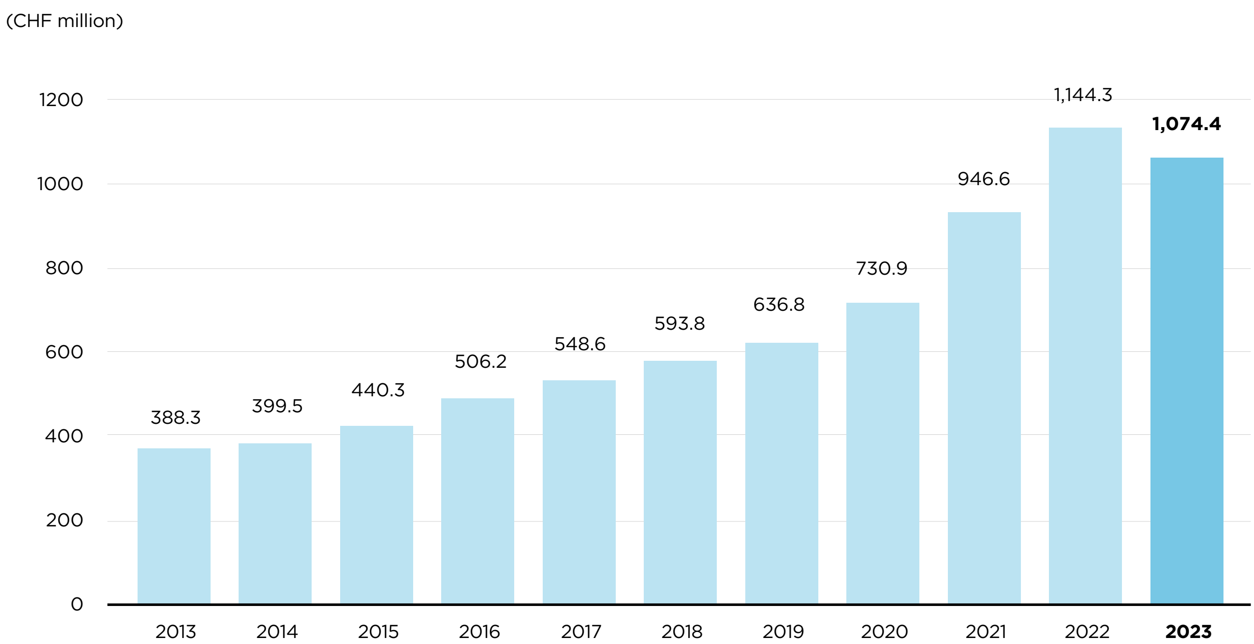
Order entry improved in the second half of the year and was just 1.9% below the previous year's figure in local currencies, after a more significant decline in the first half of the year.

Underlying sales for fiscal year 2023 increased by 6.3% in local currencies, despite a challenging market environment and cautious investment behavior among many customers. Underlying sales exclude the effects of lower COVID-related sales (estimated net effect of CHF -58.5m in local currencies) and a lower pass-through of material costs compared to the prior-year period (net effect of CHF -19.7m). In the second half of the year, underlying sales increased by 5.5% in local currencies.

Reported sales for fiscal year 2023 decreased in comparison to fiscal year 2022 by 6.1% in Swiss francs and reached CHF 1,074.4 million, including a substantial negative exchange rate effect (2022: CHF 1,144.3 million or CHF 1,089.0 million when compared in local currencies). Reported sales were 1.3% below the prior-year period when measured in local currencies. Reported sales in the second half decreased by 4.9% in Swiss francs and rose by 1.0% in local currencies.

Reported full-year sales in 2023 also include a significant reduction of pass-through sales compared to 2022, sooner and to a much greater extent than anticipated. As these sales do not generate a margin from passing on higher material costs, this is a desirable development.

Sales development 2013-2023



SEGMENT SALES

Life Sciences Business (end-customer business)

Sales in the Life Sciences Business reached CHF 451.8 million (2022: CHF 492.3 million or CHF 466.0 million in local currencies), a decrease of 8.2% in Swiss francs or 3.0% in local currencies compared to 2022. In contrast, underlying sales increased by 4.9% in local currencies, excluding the impact of lower COVID-related sales compared to the same period last year (estimated net effect of CHF -35.1 million in local currencies, based on an allocation of 60% of total COVID-related sales in 2022).

Thanks to good growth in the service business due to the higher installed base of instruments, recurring sales of services, consumables and reagents increased to 52.8% of segment sales (2022: 51.0%).

In the second half of the year, underlying sales increased by 4.4% in local currencies and reported sales rose by 1.6% in local currencies.

As new orders were only slightly lower than sales, the ratio of new orders to sales (book-to-bill) also normalized to a value close to 1.

Partnering Business (OEM business)

The Partnering Business generated sales of CHF 622.6 million during the year under review (2022: CHF 652.0 million), which corresponds to a decrease of 4.5% in Swiss francs and 0.1% in local currencies. Underlying sales increased by 7.4% in local currencies, excluding the impact of lower COVID-related sales and a lower pass-through of material costs compared to the same period last year (estimated net effect of CHF -23.4 million in local currencies and CHF -19.7 million, respectively).

The increase in underlying sales is primarily due to double-digit growth in the Paramit product line, driven primarily by the medical business, which also benefited from pent-up demand for certain medical products after the end of the pandemic.
By contrast, sales of Cavro® OEM components declined substantially, as these products had experienced a significant surge in demand in the prior-year period to mitigate disruptions in the supply chain and in the run-up to the transfer of production to two new manufacturing sites.
Demand for in-vitro diagnostics systems for the Synergence™ product line remained solid and sales in local currencies were nearly unchanged year-on-year.

New orders in the Partnering Business were only slightly lower than sales, the book-to-bill ratio came close to 1.

REGIONAL DEVELOPMENT

In Europe, Tecan's full-year reported sales in 2023 were still affected by a COVID-related high comparative basis and weaker demand and developed accordingly at -22.6% in Swiss francs and -19.9% in local currencies. Against the high comparative basis, sales in the Life Sciences Business were 14.1% lower than the previous year in local currencies, and in the Partnering Business they declined by 24.2% in local currencies.

In the second half of the year, sales in Europe decreased by 24.6% in local currencies for the Group and by 7.7% and 36.2% for the Life Sciences Business and Partnering Business segments respectively.

In North America, reported sales grew by 5.8% in Swiss francs and by 11.8% in local currencies. Despite the high COVID-related basis of comparison and more cautious spending behavior, sales in the Life Sciences Business segment increased by 5.1% in local currencies. The Partnering Business segment reported a 16.4% increase in sales in local currencies, driven by strong sales growth in the medical business, which more than offset COVID-related sales in other product categories from 2022.

Sales growth in North America accelerated in the second half of 2023, rising by 17.1% in local currencies. Both business segments contributed to this acceleration in the second half of the year, with the Life Sciences Business growing by 13.1% in local currencies and the Partnering Business by 19.6%.

In Asia, full-year reported sales in 2023 decreased by 8.0% in Swiss francs and 1.7% in local currencies. In the second half of the year, by contrast, sales rose by 7.7% in local currencies. However, the development of sales in the two business segments was very different in the two half-year periods. While the Partnering Business was still affected by a high COVID-related basis for comparison and a decline in sales of Cavro components in the first half of the year, segment sales rose by 25.5% in local currencies in the second half of the year. The Partnering Business therefore closed the year as a whole with only a slight loss in sales of 2.9% in local currencies.

In contrast, the Life Sciences Business segment recorded a significant increase in sales in local currencies in the first half of the year but experienced an almost identical decline in sales of 9.8% in local currencies in the second half of the year, mainly due to the market weakness in China. For 2023 as a whole, sales in the Life Sciences Business segment in Asia thus remained almost unchanged at -0.3% in local currencies.

GROSS PROFIT

Gross profit reached 390.5 million Swiss Francs (2022: CHF 438.1 million), which was 47.6 million or 10.9% below the prior-year figure. The decline is mainly due to the lower sales volume, which was also the primary factor behind the gross profit margin of 36.3% of sales (2022: 38.3%). Price increases, cost improvements and lower revenue from passing on higher material costs without a margin compensated for the decline in volume, but a less favorable product mix, higher depreciation on production equipment for consumables and acquisition-related integration costs led to the overall lower gross profit margin.

Main effects contributing to the gross profit margin level:
- (-) Lower sales volumes
- (-) Product mix
- (-) Increased depreciation of consumable production lines
- (-) Acquisition-related costs
- (+) Price increases
- (+) Efficiency and cost improvements
- (+) Lower revenue from passing on higher material costs without a margin

OPERATING EXPENSES LESS COST OF SALES

Thanks to effective cost control, operating expenses fell by 10.5% and amounted to CHF 261.3 million or 24.3% of sales in 2023 (2022: CHF 292.1 million or 25.5% of sales).

Sales and Marketing expenses decreased by 10.0% to CHF 119.6 million (2022: CHF 132.8 million). As a percentage of sales, they reached 11.1% of sales (2022: 11.6%).

At an absolute level, net research and development expenses decreased to CHF 69.7 million (2022: CHF 77.9 million). As the share of Partnering Business sales has increased in relation to total sales and it is less development-intensive, as the activities are largely financed by OEM customers, research and development costs accounted for 6.5% of total sales (2022: 6.8%).

Overall R&D activities and gross expenses ("gross R&D"), including capitalization of development costs and customer funding of OEM projects, were at CHF 89.6 million (2022: CHF 94.0 million). They increased as a percentage of sales to 8.3% of sales (2022: 8.2%) with higher customer funding of OEM projects and continued investments in innovation to position the business for sustained accelerated growth. Capitalization of development costs increased to CHF 12.3 million (2022: CHF 11.6 million), while amortization from capitalized development costs was almost unchanged at CHF 16.7 million (2022: CHF 16.9 million).

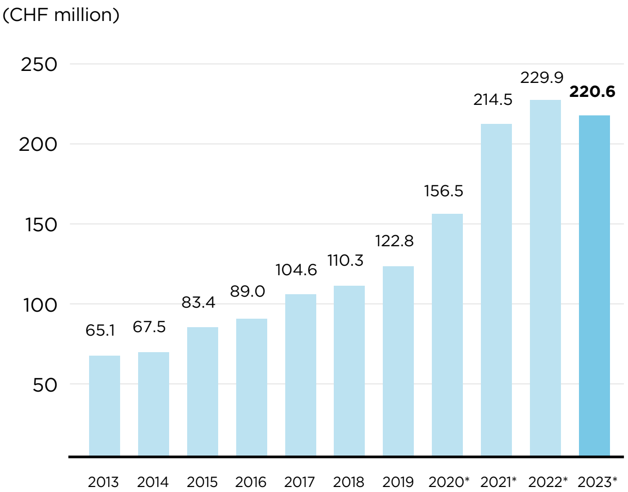
General and administration expenses decreased by 11.5% to CHF 72.0 million (2022: CHF 81.4 million). As a percentage of sales, G&A cost decreased to 6.7% of sales (2022: 7.1%).

OPERATING PROFIT

At CHF 220.6 million, adjusted operating profit before depreciation and amortization[1] (earnings before interest, taxes, depreciation and amortization; EBITDA) was slightly below the previous year's level (2022: CHF 229.9 million), mainly due to lower sales volumes and a negative impact from exchange rate movements in major currencies versus the Swiss franc. The adjusted EBITDA margin nevertheless increased to 20.5% of sales (2022: 20.1%).

The reported profit before interest and taxes, EBIT, was at CHF 136.0 million (2022: CHF 147.8 million). Reported EBITDA reached CHF 207.3 million in the fiscal year 2023 (2022: CHF 214.9 million).

EBITDA development 2013-2023



* Adjusted EBITDA for 2020-2023

[1] The adjusted operating profit before depreciation and amortization excludes acquisition- and integration-related costs (+CHF 17.7 million) as well as one-time pension plan effects (-CHF 4.4 million).

SEGMENT PROFITABILITY

Life Sciences Business (end-customer business)

Reported operating profit in the Life Sciences Business segment (earnings before interest and taxes; EBIT) reached CHF 84.4 million (2022: CHF 87.1 million). The operating profit margin rose to 18.3% of sales (2022: 17.1%), supported by price increases and cost control and despite the lower sales volumes and an adverse exchange rate effect.

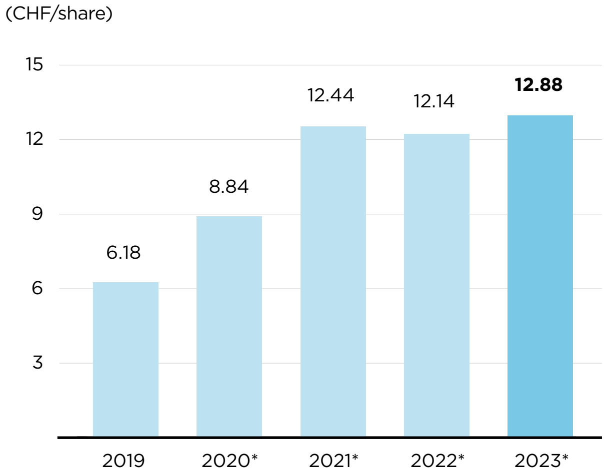
Partnering Business (OEM business)

Reported operating profit in this segment (earnings before interest and taxes; EBIT) amounted to CHF 64.4 million (2022: CHF 74.4 million), while the reported operating profit margin reached 10.3% of sales (2022: 11.4%). The integration costs and amortization of acquired intangible assets in connection with the acquisition of Paramit were recognized for the Group in the Partnering Business segment. Other factors negatively impacting the segment margin were the lower sales volumes with corresponding negative economies of scale and a more negative product mix.

NET PROFIT AND EARNINGS PER SHARE

Adjusted net profit[2] increased to CHF 164.4 million (2022: CHF 154.4 million), supported by a one-time positive effect in connection with transitional measures from the Swiss tax reform. Adjusted earnings per share rose to CHF 12.88 (2022: CHF 12.14). Reported net profit for 2023 increased to CHF 132.1 million (2022: CHF 121.1 million), while basic earnings per share grew to CHF 10.34 (2022: CHF 9.53).

Earnings per share development 2019-2023



* Adjusted earnings per share for 2020-2023

BALANCE SHEET AND EQUITY RATIO

Shareholder's equity at December 31, 2023 was at CHF 1,348.9 million (December 31, 2022: CHF 1,357.7 million). Tecan's equity ratio increased to 65.0% as of December 31, 2023 (December 31, 2022: 64.2%).

CASH FLOW

Cash flow from operating activities increased by 25.2% to CHF 160.6 million in 2023 (2022: CHF 128.3 million). In the prior-year period, inventories and safety stocks increased to ensure delivery capability in times of tight material supplies. These inventories have now been increasingly reduced again. Thanks to the strong cash flow, Tecan's net liquidity position (cash and cash equivalents plus short-term time deposits less bank liabilities, loans and the outstanding bond) increased to CHF 112.6 million (December 31, 2022: CHF 41.2 million).

Tania Micki
Chief Financial Officer

[2] The calculation of 2023 adjusted net profit and adjusted earnings per share excludes acquisition- and integration-related costs (+CHF 17.7 million), one-time pension plan effects (-CHF 4.4 million) as well as the accumulated amortization of acquired intangible assets (+CHF 19.5 million) and they were calculated with the reported Group tax rate of 1.3%.

RECONCILIATION OF ADJUSTED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

CHF 1,000 / unaudited	2022	**2023**
Sales	**1,144,261**	**1,074,386**
GAAP operating profit (EBIT)	**147,835**	**135,967**
Depreciation and amortization	67,054	71,330
Non-GAAP EBITDA	**214,889**	**207,297**
In % of sales	18.8%	19.3%
Adjustments for		
Acquisition and integration costs	13,559	17,654
Swiss pension plans: past service costs	**1,497**	**(4,358)**
Non-GAAP adjusted EBITDA	**229,945**	**220,593**
In % of sales	20.1%	20.5%
Depreciation and amortization	(66,407)	(71,330)
Adjustment for acquisition-related amortization	23,473	19,513
Non-GAAP adjusted EBIT	**187,011**	**168,776**
In % of sales	16.3%	15.7%
Financial result	(5,350)	(2,162)
Non-GAAP adjusted profit before taxes	**181,661**	**166,614**
In % of sales	15.9%	15.5%
Adjusted income taxes	(27,232)	(2,166)
Non-GAAP adjusted net profit	**154,429**	**164,448**
In % of sales	13.5%	15.3%
Non-GAAP adjusted basic earnings per share (CHF)	**12.14**	**12.88**

FIVE-YEAR CONSOLIDATED DATA

CHF 1,000	2019	2020	2021	2022	**2023**
Statement of profit or loss					
Sales	636,819	730,879	946,623	1,144,261	1,074,386
Non-GAAP EBITDA	122,761	159,106	204,561	214,889	207,297
	19.3%	21.8%	21.6%	18.8%	19.3%
Non-GAAP adjusted EBITDA	–	156,531	214,497	229,945	220,593
	–	21.4%	22.7%	20.1%	20.5%
Operating profit (EBIT)	88,699	121,390	145,517	147,835	135,967
Financial result	(5,959)	(3,163)	(7,592)	(5,350)	(2,162)
Income taxes	(9,571)	(14,542)	(16,266)	(21,359)	(1,730)
Profit for the period	73,169	103,685	121,659	121,126	132,075
Research and development, gross	(59,857)	(62,043)	(71,867)	(77,890)	(69,740)
Personnel expenses	(220,254)	(259,640)	(306,324)	(349,916)	(332,233)
Depreciation of property, plant and equipment	(8,786)	(9,472)	(12,628)	(16,578)	(24,949)
Depreciation of right-of-use assets	(10,513)	(10,915)	(12,232)	(14,874)	(14,186)
Amortization of intangible assets	(14,541)	(15,056)	(34,184)	(35,602)	(31,659)
Impairment losses	–	(2,051)	–	-	(536)
Balance sheet					
Current assets	615,499	777,986	671,859	803,530	850,574
Non-current assets	324,274	330,641	1,324,326	1,312,649	1,223,392
Total assets	939,773	1,108,627	1,996,185	2,116,179	2,073,966
Current liabilities	157,286	225,018	306,374	336,341	296,912
Non-current liabilities	123,420	149,958	464,916	422,118	428,144
Total liabilities	280,706	374,976	771,290	758,459	725,056
Shareholders' equity	659,067	733,651	1,224,895	1,357,720	1,348,910
Statement of cash flows					
Cash inflows from operating activities	98,804	208,335	169,855	128,275	160,572
Capital expenditure in property, plant and equipment and intangible assets	(23,937)	(41,288)	(39,719)	(36,234)	(34,943)
Acquisition of Paramit Group[1]	–	–	(817,447)	-	-
Acquisition of DCPM/PMAS[1]	(20,846)	–	–	-	-
Acquisition of SPEware Group[1]	(4,200)	–	–	-	-
Dividends paid	(24,835)	(26,242)	(27,612)	(35,597)	(37,024)
Proceeds from authorized share capital increase, net of transaction costs	–	–	351,652	-	-
Net proceeds from the issuance of a bond	–	–	249,445	-	-
Other information					
Number of employees (end of period)	1,932	2,050	3,291	3,531	3,591
Number of employees (average)	1,818	1,984	2,589	3,380	3,570
Research and development in % of sales	9.4%	8.5%	7.6%	6.8%	6.5%
Sales per employee	350	368	366	339	301
Information per share					
Basic earnings per share (CHF)	6.18	8.69	9.95	9.53	10.34
Gross dividend (CHF)[2]	1.10	1.15	1.40	1.45	1.50 [3]
Payout from statutory capital contribution reserve (CHF)[2]	1.10	1.15	1.40	1.45	1.50 [3]
Total payout (CHF)[2]	2.20	2.30	2.80	2.90	3.00 [3]
Total payout ratio	35.6%	26.5%	28.1%	30.4%	29.0%

[1] Net of cash acquired

[2] Payment is made in following year

[3] Proposal to the Annual General Meeting of Shareholders on April 18, 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

CHF 1,000	Notes	2022	2023
Sales	4/5/6	**1,144,261**	**1,074,386**
Cost of sales		(706,190)	(683,920)
Gross profit		**438,071**	**390,466**
Sales and marketing		(132,806)	(119,584)
Research and development	8	(77,890)	(69,740)
General and administration		(81,422)	(72,049)
Other operating income	9	1,882	6,923
Other operating expenses	9	-	(49)
Operating profit	6	**147,835**	**135,967**
Financial income		383	4,494
Finance cost		(1,476)	(1,318)
Net foreign exchange losses		(4,257)	(5,338)
Financial result	10	**(5,350)**	**(2,162)**
Profit before taxes		**142,485**	**133,805**
Income taxes	13	(21,359)	(1,730)
Profit for the period, attributable to owners of the parent		**121,126**	**132,075**
Earnings per share			
Basic earnings per share (CHF/share)	11	9.53	10.34
Diluted earnings per share (CHF/share)	11	9.47	10.30

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CHF 1,000	Notes	2022	2023
Profit for the period		**121,126**	**132,075**
Other comprehensive income			
Change in fair value of an unquoted equity instrument designated at fair value through other comprehensive income		201	(68)
Remeasurement of net defined benefit liability	12.3	30,502	(28,442)
Related income taxes		(5,737)	5,265
Items that will not be reclassified to profit or loss, net of income taxes		**24,966**	**(23,245)**
Translation differences		9,640	(104,424)
Related income taxes		(915)	7,676
Items that may be reclassified subsequently to profit or loss, net of income taxes		**8,725**	**(96,748)**
Other comprehensive income, net of income taxes		33,691	(119,993)
Total comprehensive income for the period, attributable to owners of the parent		**154,817**	**12,082**

CONSOLIDATED BALANCE SHEET

ASSETS

CHF 1,000	Notes	31.12.2022	31.12.2023
Cash and cash equivalents	14	111,441	132,965
Other current financial assets	15	181,796	237,303
Trade accounts receivable	16	156,835	158,677
Contract assets		25,280	35,490
Other accounts receivable		12,181	13,016
Inventories	17	300,588	254,368
Income tax receivables	13	1,778	8,078
Prepaid expenses		13,631	10,677
Current assets		**803,530**	**850,574**
Non-current financial assets	18	5,599	5,250
Property, plant and equipment	19	94,025	81,021
Right-of-use assets	20	55,381	64,149
Intangible assets and goodwill	21	1,128,007	1,021,217
Deferred tax assets	13	29,637	51,755
Non-current assets		**1,312,649**	**1,223,392**
Assets		**2,116,179**	**2,073,966**

LIABILITIES AND EQUITY

CHF 1,000	Notes	31.12.2022	31.12.2023
Current financial liabilities	22	14,559	12,853
Trade accounts payable		34,280	39,202
Other accounts payable		15,156	25,539
Current contract liabilities	23	100,177	82,475
Current government grants	24	4,170	5,534
Income tax payables	13	25,628	21,923
Accrued expenses		110,922	82,297
Current provisions	25	31,449	27,089
Current liabilities		**336,341**	**296,912**
Non-current financial liabilities	22	293,405	303,854
Non-current contract liabilities	23	11,149	8,482
Non-current government grants	24	26,211	17,985
Liability for post-employment benefits	12.3	19,923	43,983
Non-current provisions	25	8,522	8,535
Deferred tax liabilities	13	62,908	45,305
Non-current liabilities		**422,118**	**428,144**
Total liabilities		**758,459**	**725,056**
Share capital		1,273	1,278
Capital reserve		405,201	406,994
Retained earnings		981,476	1,067,616
Translation differences		(30,230)	(126,978)
Shareholders' equity	26	**1,357,720**	**1,348,910**
Liabilities and equity		**2,116,179**	**2,073,966**

CONSOLIDATED STATEMENT OF CASH FLOWS

CHF 1,000	Notes	2022	2023
Profit for the period		**121,126**	**132,075**
Adjustments for			
Depreciation, amortization and impairment losses	19/20/21	67,054	71,330
Change in government grants, liability for post-employment benefits and provisions	12.3/24/25	(3,578)	(11,562)
Interest income	10	(383)	(4,494)
Interest expenses	10	1,322	974
Income taxes	13	21,359	1,730
Equity-settled share-based payment expense	12.4	13,849	14,819
Other non-cash items		374	10,089
Change in working capital			
Trade accounts receivable	16	(30,320)	(13,452)
Inventories	17	(54,158)	29,473
Trade accounts payable		7,286	7,446
Contract liabilities	23	12,201	(13,538)
Other changes in working capital (net)		10,391	(28,226)
Income taxes paid		(38,248)	(36,092)
Cash inflows from operating activities		**128,275**	**160,572**
Investment in time deposits		(320,000)	(180,000)
Repayment of time deposits		260,000	130,000
Investment in convertible bonds	29.2	-	(3,691)
Interest received		33	4,257
Purchase of property, plant and equipment	19	(23,070)	(19,433)
Proceeds from sale of other property, plant and equipment		55	142
Investment in intangible assets	21	(13,164)	(15,510)
Receipt of government grants	24	7,960	-
Cash outflows from investing activities		**(88,186)**	**(84,235)**
Dividends paid	26	(35,597)	(37,024)
Proceeds from employee participation plans	12.4	1,549	1,798
Increase in/repayment of short-term credit facilities	22	1	5
Payment of lease liabilities	22	(13,769)	(13,892)
Repayment of bank loans	22	-	(612)
Interest paid		(834)	(843)
Cash outflows from financing activities		**(48,650)**	**(50,568)**
Effect of exchange rate fluctuations on cash held		(1,004)	(4,245)
(Decrease)/increase in cash and cash equivalents		**(9,565)**	**21,524**
Cash and cash equivalents at January 1		121,006	111,441
Cash and cash equivalents at December 31	14	**111,441**	**132,965**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF 1,000	Notes	Share capital	Capital reserve	Retained earnings	Translation differences	Total share-holders' equity
Balance at January 1, 2022		**1,268**	**403,657**	**858,925**	**(38,955)**	**1,224,895**
Profit for the period		–	–	121,126	–	121,126
Other comprehensive income, net of income taxes		–	–	24,966	8,725	33,691
Total comprehensive income for the period		**–**	**–**	**146,092**	**8,725**	**154,817**
Dividends paid	26	–	–	(35,597)	–	(35,597)
New shares issued based on employee participation plans	12.4/26	5	1,544	–	–	1,549
Share-based payments, net of income taxes	12.4	–	–	12,056	–	12,056
Balance at December 31, 2022		**1,273**	**405,201**	**981,476**	**(30,230)**	**1,357,720**
Profit for the period		–	–	132,075	–	132,075
Other comprehensive income, net of income taxes		–	–	(23,245)	(96,748)	(119,993)
Total comprehensive income for the period		**–**	**–**	**108,830**	**(96,748)**	**12,082**
Dividends paid	26	–	–	(37,024)	–	(37,024)
New shares issued based on employee participation plans	12.4/26	5	1,793	–	–	1,798
Share-based payments, net of income taxes	12.4	–	–	14,334	–	14,334
Balance at December 31, 2023		**1,278**	**406,994**	**1,067,616**	**(126,978)**	**1,348,910**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Tecan (www.tecan.com) is a global provider of laboratory automation. As an original equipment manufacturer (OEM), Tecan also develops and manufactures OEM instruments, components and medical devices that are then distributed by partner companies. Founded in Switzerland in 1980, the Group has more than 3,000 employees, with manufacturing, research and development sites in Europe, North America and Asia, and maintains a sales and service network in over 70 countries.

The ultimate parent company is Tecan Group Ltd., a limited company incorporated in Switzerland, whose shares are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191). Tecan Group Ltd.'s registered office is located at Seestrasse 103, 8708 Männedorf, Switzerland.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements are the consolidated financial statements of Tecan Group Ltd. and its subsidiaries (together referred to as the 'Group') for the year ended December 31, 2023. The financial statements are prepared in accordance with IFRS Accounting Standards and their interpretations issued by the International Accounting Standards Board (IASB).

The financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. They are prepared on the historical cost basis except for derivative financial instruments, one investment in an unquoted equity instrument and contingent considerations in connection with business combinations, which are stated at their fair value.

The consolidated financial statements were authorized for issue by the Board of Directors on March 7, 2024. Final approval is subject to acceptance by the Annual General Meeting of Shareholders on April 18, 2024.

2.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of these financial statements. If in the future such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the year in which the circumstances change.

The valuation of the following material positions is based on critical accounting estimates and judgments:

2.2.1 Revenue recognition – performance obligations satisfied over time

The Group applies the cost-to-cost method in accounting for performance obligations satisfied over time as outlined in the accounting and valuation principles (see note 2.8.1). The use of the cost-to-cost method requires management to determine the stage of completion by reference to the contract costs incurred for work performed to date in proportion to the estimated total contract costs. Based on the estimated stage of completion, a respective portion of the expected revenue is recognized. If circumstances arise that may change the original estimates of revenues, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the statement of profit or loss in the period in which the circumstances that give rise to the revision become known to the management. See notes 4 and 23 for more details.

2.2.2 Performance share matching plan (PSMP) – matching share factor

The Group established performance share matching plans. The number of matching shares is determined based on the following formula: number of shares from initial grant that qualify for matching shares, multiplied by the matching share factor. The matching share factor is dependent on the achievement of specific performance targets. In any case, the matching share factor will not be lower than 0.0 or higher than 2.5. A change in estimate of the matching share factors applied in the current period, will impact the results of future periods. See note 12.4 for more details.

2.2.3 Income taxes – general and Pillar Two

On December 31, 2023, the net liability for current income taxes was CHF 13.8 million and the net asset for deferred taxes was CHF 6.5 million. Significant estimates are required in determining the current and deferred assets and liabilities for income taxes. Various internal and external factors may have favorable or unfavorable effects on the income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws, regulations and/or rates (particularly in relation to the Swiss tax reform, see note 13.2.3 for more details), changing interpretations of existing tax laws or regulations (particularly in relation to the acceptance of intra-group transfer prices), and changes in overall levels of pre-tax earnings. Such changes could impact the assets and liabilities recognized in the balance sheet in the current and future periods.

In 2019, the Organization for Economic Co-operation and Development ("OECD") started a two-pillar approach to address the "Tax Challenges of the Digital Economy" resulting from the 2015 Base Erosion and Profit Shifting (BEPS) project. A stated goal of the Pillar One proposal is to allocate a greater share of residual profits to market/user jurisdictions. The Pillar Two goal suggests an implementation of the proposed 15% global minimum tax. Tecan will be within the scope of Pillar Two.

The OECD and participating countries continue to work toward the implementation of a 15% global minimum corporate tax and some governments have begun to enact Pillar Two rules. In the public vote on June 18, 2023 Swiss voters approved a new constitutional provision on the implementation of the "Pillar Two Model Rules". This provision gives the Swiss Federal Council the power to implement the "Pillar Two Model Rules" via a temporary ordinance. On December 22, 2023, the Swiss Federal Council decided to implement the Qualified Domestic Minimum Top-up Tax via the ordinance, starting for financial years on or after January 1, 2024. This Qualified Domestic Minimum Top-up Tax will provide for a 15% minimum taxation based on Pillar Two qualifying profits earned by companies domiciled in Switzerland (and not abroad). Other countries (mainly EU countries, UK, Japan, Vietnam, South Korea, Malaysia) in which Tecan operates have enacted or substantively enacted tax legislation related to Pillar Two with effect in financial year 2024 or later.

Although global enactment has begun, the OECD and participating countries continue to work on defining the underlying rules and administrative procedures. The Group is monitoring these developments and continue to assess our potential exposure from enactment of Pillar Two legislation.

Based on the assessment carried out so far, only the enactment of Pillar Two legislation in Switzerland could eventually have an impact to our income taxes as from 2024. In other countries where the Group operates and that have (substantively) enacted Pillar Two legislation we do not expect any impact that is material to our income tax charge and cash flows.

2.2.4 Inventories - capitalized development costs

In 2010, the Group entered into an OEM agreement with a global diagnostics company. The agreement comprises the development and supply of a dedicated diagnostic instrument. The related customer-specific development costs were capitalized in the position inventories as part of the production costs. The delivery of the instruments, which takes place over a period of more than 10 years, started in October 2014. The customer requests the units with individual purchase orders. The Group recognizes the corresponding development costs in cost of sales upon fulfilment of the individual purchase orders. The remaining balance of capitalized development costs as of December 31, 2023 amounted to CHF 20.6 million.

At December 31, 2023, the net realizable value of the position was higher than the capitalized development costs. However, the assessment is highly dependent on the best estimate of the future sales quantity. A decrease in estimate could require write-downs in future periods.

2.2.5 Intangible assets - capitalized development costs

After the technical feasibility of in-house developed products has been demonstrated, the Group starts to capitalize the related development costs until the product is ready for market launch. However, there can be no guarantee that such products will complete the development phase or will be commercialized, or that market conditions will not change in the future, requiring a revision of management's assessment of future cash flows related to those products. Such changes could lead to additional amortization and impairment charges. At the end of 2023, the Group has capitalized development costs in the amount of CHF 40.5 million as disclosed in note 21.

2.2.6 Impairment test on goodwill

At December 31, 2023 total goodwill amounted to CHF 710.0 million. The Group performed the mandatory annual impairment tests at the end of June for Life Sciences Business and Partnering Business. Based on these tests, there was no need for the recognition of any impairment. However, the calculation of the recoverable amounts requires the use of estimates and assumptions. The key assumptions are disclosed in note 21.

2.2.7 Lease liabilities and right-of-use assets

The application of IFRS 16 'Leases' requires the Group to make judgments and estimates that affect the valuation of the lease liabilities (see note 22) and the valuation of right-of-use assets (see note 20). These include: determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. The lease term determined by the Group generally comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The extent to which options have been included in the valuation is shown in Note 20.2.

2.3 INTRODUCTION OF NEW AND REVISED/AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies are consistent with those applied in the previous year, except for the introduction of the following amended standards, effective as from January 1, 2023:

Standard[1]
IAS 1 'Presentation of Financial Statements' amended – Disclosure of Accounting Policies
IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' amended – Definition of Accounting Estimates
IAS 12 'Income Taxes' amended – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12 'Income Taxes' amended – International Tax Reform – Pillar Two Model Rules

[1] IAS = International Accounting Standards

The Group has adopted 'International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12' upon their release in May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure as from December 31, 2023.

The adoption of the amended standards did not result in material changes to the Group's accounting policies.

2.4 NEW AND REVISED/AMENDED STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following new and revised/amended standards and interpretations have been issued, but are not yet effective and are not applied early in these consolidated financial statements:

Standard[1]	Effective date for the Group
IAS 1 'Presentation of Financial Statements' amended - Classification of Liabilities as Current or Non-current	Reporting year 2024
IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosures' amended – Disclosures: Supplier Finance Arrangements	
IFRS 16 'Leases' amended – Lease Liability in a Sale and Leaseback	Reporting year 2024
IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of exchangeability	Reporting year 2025
IFRS 10 amended 'Consolidated Financial Statements' and IAS 28 amended 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be defined

[1] IAS = International Accounting Standards, IFRS = IFRS Accounting Standards

The Group intends to adopt these standards, if applicable, when they become effective. The changes, individually and in the aggregate, are not expected to have a significant impact on the balance sheet, results of operations and cash flows of the Group upon adoption.

2.5 MATERIAL CONSOLIDATION PRINCIPLES

2.5.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

On the loss of control, the Group de-recognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any resulting gain or loss is recognized in profit or loss.

When control is transferred in the event of a business combination, the Group is applying the acquisition method at the acquisition date.

2.5.2 Transactions eliminated upon consolidation

Intra-Group balances and transactions, and any unrealized profits arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

2.6 FOREIGN CURRENCY TRANSLATION

Generally, all Group companies have identified their local currency as their functional currency. Transactions in other currencies are initially reported using the exchange rate at the date of the transaction. Gains and losses from the settlement of such transactions, as well as gains and losses on translation of monetary assets and liabilities denominated in other currencies, are included in profit or loss.

Translation differences arising on intra-Group loans that, in substance, are part of the net investment in a foreign operation, are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

Upon consolidation, assets and liabilities of Group companies using functional currencies other than Swiss francs (foreign entities) are translated into Swiss francs (presentation currency) using year-end exchange rates. Revenues, expenses and cash flows are translated at the average exchange rates for the year. Translation differences due to the changes in exchange rates between the beginning and the end of the year and the difference between net profits translated at the average and year-end exchange rates are recognized in other comprehensive income. On the disposal of a foreign operation, the identified cumulative currency translation differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

2.7 MATERIAL ACCOUNTING AND VALUATION PRINCIPLES

2.7.1 Revenue recognition, contract assets and liabilities

Sale of standard instruments and other goods such as spare parts, trade products, consumables or reagents – The sale of standard instruments and other goods is generally considered as one performance obligation. The Group recognizes revenue at the point in time, when control of the asset is transferred to the customer, generally upon delivery.

Sale of complex instruments – The sale of complex instruments generally follows the same principles as the sale of standard instruments. However, as the sale of a complex instrument requires significant installation and application work at the customer's site, control of the asset is only transferred and accordingly revenue recognized upon the written acceptance by the customer. For sales orders with multiple instruments and high integrations costs, the Group determines the number of performance obligations individually and assesses whether the performance obligation(s) is/are satisfied over time. For revenue to be recognized over time, the following criteria must be fulfilled cumulatively: The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Contract manufacturing ('Partnering Business') – Manufacturing services comprise the material management and the manufactory/assembly of instruments based on the customer's design input. Normally these performance obligations fulfill the criteria for revenue recognition over time. For revenue to be recognized over time, the following criteria must be fulfilled cumulatively: The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Engineering services without delivery of instruments ('Partnering Business') – Engineering services are generally considered as one performance obligation. Revenue is recognized upon finalization of the project (at a point in time). For larger engineering orders that follow a standard milestone process, the Group assesses whether the performance obligation is satisfied over time. For revenue to be recognized over time, the following criteria must be fulfilled cumulatively: The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Sale of customized instruments ('Partnering Business') – The sale of customized instruments comprises the development and supply of instruments with a customer-specific design. The development (adaption of existing Tecan-technology to the customer's specifications) and supply of the instruments is generally considered as one performance obligation due to the limited usability of and control over the pure development result for the customer. Therefore, the related customer-specific development costs are capitalized in the position inventories as part of the production costs. Once the development is completed, the customer requests the units with individual purchase orders. The Group recognizes the corresponding development costs in cost of sales upon fulfilment of the individual purchase orders.

Performance obligations satisfied over time – method of revenue recognition and presentation (sale of complex instruments, contract manufacturing and engineering services) – The progress is generally measured by using a cost-to-cost approach: costs incurred for the work performed to date in proportion to the estimated total project costs. According to the progress, pro rata sales are recognized in the statement of profit or loss. In the balance sheet, projects in progress – netted against customers' advances – are recognized as net assets (included in the position 'contract assets') or net liabilities (included in the position 'contract liabilities'). When it is probable that the total costs will exceed contract revenue, the rules of IAS 37 – 'Onerous Contracts' are applied.

Service contracts – Revenue from service contracts is recognized over time based on the time elapsed.

Warranty obligations – The Group provides standard warranties for the repair of defects that existed at the time of sale, as required by law. These warranties qualify as assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 'Provisions'. In addition, the Group offers warranty extensions to its customers. Such warranty extensions are accounted for as service-type warranties according to IFRS 15, representing separate performance obligations to which the Group allocates a portion of the consideration based on the relative stand-alone selling price. For these service-type warranties, revenue is recognized over time based on the time elapsed.

Bundles of goods and services – Typically, instruments are sold together with other goods and services. The sale of other goods such as spare parts or consumables and services such as additional training or application work that are part of the same contract with a customer (bundles of goods and services), but qualify for the identification of separate performance obligations, are recognized separately from the sale of the instrument as revenues. The consideration (including any discounts) is allocated in proportion to the relative stand-alone selling prices of the identified performance obligations.

2.7.2 Segment reporting

Chief operating decision maker - Segment information is presented in the same manner as in the internal reporting to the chief operating decision maker. The chief operating decision maker, responsible for strategic decisions, for the assessment of the segments' performance and for the allocation of resources to the segments, is the Board of Directors of Tecan Group Ltd.

Reportable segments -The following reportable segments were identified:

- Life Sciences Business (end-customer business): The business segment 'Life Sciences Business' supplies end users with automated workflow solutions directly. These solutions include laboratory instruments, software packages, application know-how, services, consumables and spare parts.
- Partnering Business (OEM business): The business segment 'Partnering Business' develops and manufactures OEM instruments and components that are distributed by partner companies under their own names.

Operating segments / segment assets and liabilities - The operating segments are equivalent to the reportable segments. No operating segments have been aggregated. Segment assets, purchases of property, plant and equipment and intangible assets as well as segment liabilities are not reported to the chief operating decision maker.

2.7.3 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognized in deferred income and subsequently released as other operating income in equal amounts over the expected useful life of the related asset. The Group receives government grants for research activities and in connection with COVID-19 related government support programs, mainly in the form of temporary payments to social security funds on behalf of the Group and subsidies for production lines in order to increase the supply of critical consumables.

2.7.4 Employee benefits – retirement and long-service leave benefit plans

Defined benefit plans - The Group has both defined contribution and defined benefit retirement plans. Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. All other retirement benefit plans are defined benefit plans.

Liability for post-employment benefits – The liability recognized in the balance sheet regarding defined benefit retirement benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets for funded plans. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method, considering possible risk sharing arrangements.

Asset for post-employment benefits – When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs – The components of defined benefit costs are as follows:

- Service costs, which are recognized in the statement of profit or loss within operating result
- Interest expense or income on net liability or asset, which is recognized in the statement of profit or loss within financial result
- Remeasurements, which are recognized in other comprehensive income

Service costs – Service costs include current service costs, past service costs and gains or losses on plan curtailments and settlements. When the benefits of a plan are changed, or when a plan is curtailed or settled, the portion of the changed benefits related to employee service in prior periods (past service costs), or the gains or losses on curtailments and settlements, are recognized immediately in profit or loss when the plan amendments or curtailments and settlements occur.

Interest expense or income – Interest expense or income is calculated by applying the discount rate to the net defined benefit liability or asset, considering any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments.

Remeasurements – Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest income) and the effect of the asset ceiling (if applicable). Remeasurements are recognized in other comprehensive income and cannot be reclassified to profit or loss.

Long-service leave benefits – The method of accounting for liabilities concerning long-service leave benefits is similar to the one used for defined benefit retirement plans.

Defined contribution plans – Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

2.7.5 Employee benefits – termination benefits

Termination benefits result from either the Group's decision to terminate the employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The event that gives rise to an obligation is the termination of employment rather than employee service. A liability for termination benefits is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefits and when the Group recognizes any related restructuring costs.

2.7.6 Employee benefits – share-based payment

Amount recognized as an expense – The Group has introduced several equity-settled share-based compensation plans, for which the fair value of shares or share options granted is recognized within operating result and a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the shares or share options (vesting period). The amount recognized as an expense is adjusted by an expected forfeiture rate to reflect the expected number of shares or share options that will vest.

Fair value at grant – The fair value of the shares granted represents the market value of one Tecan share adjusted for expected dividend payments during the vesting period. The fair value of the share options granted is measured using a trinomial model, considering the terms and conditions upon which the share options were granted.

2.7.7 Income taxes

Current and deferred income taxes – Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (transactions with owners), in which case it is recognized in other comprehensive income or equity.

Deferred taxes on temporary differences – Deferred taxes are provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting profit nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Realization of tax benefits - Deferred tax assets resulting from temporary differences and tax loss carry-forwards are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxes provided on expected dividends from subsidiaries – In addition, deferred taxes are provided on expected future dividend distributions from subsidiary companies (non-recoverable withholding taxes).

2.7.8 Financial instruments

2.7.8.1 Cash and cash equivalents, time deposits and receivables

Measurement category: Financial assets at amortized cost without significant financing component

These financial assets are initially measured at the transaction price (nominal value). Subsequently the transaction price is reduced by impairment losses (see below). Foreign exchange gains/losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Accounting for impairment losses on receivables: The Group recognizes an allowance for impairment that represents its estimate of lifetime expected credit losses, applying the simplified approach according to IFRS 9. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

Cash and cash equivalents comprise cash balances and time deposits with a term of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.7.8.2 Rent and other deposits

Measurement category: Financial assets at amortized cost with significant financing component

These financial assets are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently the financial instrument is measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains/losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

2.7.8.3 Derivatives, convertible bonds and contingent considerations

Measurement category: Financial assets and liabilities at fair value through profit or loss (FVTPL)

These financial assets and liabilities are initially measured at fair value without any transaction costs, the latter being directly expensed. Subsequently these financial instruments continue to be measured at fair value. Net gains and losses are recognized in profit or loss.

The Group uses derivative financial instruments to economically hedge certain exposures to foreign exchange rate risks.

2.7.8.4 Unquoted equity investment

Measurement category: Financial assets at fair value through other comprehensive income (FVOCI)

This category only includes equity instruments which the Group intends to hold for the foreseeable future. The classification is determined upon initial recognition on an investment-by-investment basis and is irrevocable.

The financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. Subsequently the financial instrument continues to be measured at fair value. Net gains and losses are recognized in other comprehensive income and are not recycled to profit or loss on de-recognition. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

2.7.8.5 Current bank liabilities, payables and accrued expenses

Measurement category: Financial liabilities at amortized cost without significant financing component

These financial liabilities are initially measured at the transaction price (nominal value). Subsequently these financial instruments continue to be measured at the transaction price. Foreign exchange gains/losses are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

2.7.8.6 Bank loans and bonds

Measurement category: Financial liabilities at amortized cost with significant financing component

These financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently these financial instruments are measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains/losses are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

2.7.9 Inventories

Inventories are stated at the lower of purchase or production cost and net realizable value. Production costs include raw materials, components and semi-finished products, direct production costs (internal labor and external services) and production overheads. The Group applies the weighted average cost method except for contract manufacturing for which the FIFO cost formula is more appropriate. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made for slow-moving items and obsolete items are written off.

2.7.10 Property, plant and equipment

Valuation – Property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see separate accounting policy). The cost of self-constructed assets includes the cost of materials, direct labor and an appropriate proportion of production overheads and borrowing costs, if they are directly attributable to a qualifying asset.

Depreciation – Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment from the date they are available for use. The estimated useful lives are as follows:

Buildings	50 years
Leasehold improvements	shorter of useful life or lease term
Furniture and fittings	4 – 8 years
Machines and motor vehicles	2 – 8 years
Tools in connection with OEM contracts	units of production method
EDP equipment	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Component approach – Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment (component approach).

Repair and maintenance – Costs for repair and maintenance are recognized as an expense as incurred.

2.7.11 Right-of-use assets and related lease liabilities

Commencement date, lease term and options – The Group recognizes a right-of-use asset and a lease liability at the date the underlying asset is available for use (lease commencement date). The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. For this purpose, the non-cancellable lease term is compared with an internal benchmark lease term. An optional term that begins after the benchmark lease term is generally not considered. For option events that take place earlier, management assesses the circumstances on a case-by-case basis.

Right-of-use assets – Right-of-use assets are initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognized, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred, and restoration costs. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities / initial measurement – At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments (excluding any non-lease components) to be made over the lease term. The lease payments include fixed payments less any incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Lease liabilities / subsequent measurement – After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimated of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or renewal option is reasonable certain to be exercised or a termination option is reasonably certain not to be exercised.

Discount rate – In calculating the present value of the lease liability the Group is using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate.

Short-term leases and leases of low-value assets – The Group applies the short-term lease recognition exemption to its short-term leases of property. These leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of service equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.7.12 Intangible assets

Software – Expenditure on the implementation of software, including licenses and external consulting fees, is capitalized.

Research costs – Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development costs – Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, external services, personnel, temporary employees, overhead and borrowing costs, if they are directly attributable to a qualifying asset. Other development expenditure is recognized in profit or loss as incurred.

Intangible assets acquired in a business combination – All identifiable intangible assets that are recognized applying the acquisition method are stated initially at fair value. The following valuation methods are used to determine the fair values at the acquisition date: multi-period excess earnings method, relief from royalty method and replacement cost approach.

Valuation and amortization – Intangible assets are measured at cost less accumulated amortization (see below) and impairment losses (see separate accounting policy). Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

Software	3 – 5 years
Development costs	3 – 5 years
Patents	3 – 5 years
Acquired order backlog	0 – 1 year
Acquired brand	2 – 13 years
Acquired client relationships	7 – 23 years
Acquired technology	6 – 16 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

2.7.13 Goodwill

Goodwill – Goodwill represents the future economic benefits arising from a business combination that are not capable of being individually identified and separately recognized as assets or liabilities.

Initial measurement – For acquisitions, the Group measures goodwill at the acquisition date as

- the fair value of the consideration transferred, plus
- the recognized amount of any non-controlling interests in the acquiree, plus
- if the business combination is achieved in stages, the fair value of existing equity interest in the acquiree, less
- the net recognized amount of the identifiable net assets acquired.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Subsequent measurement – After initial recognition, the Group measures goodwill at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

2.7.14 Impairment

Recognition of an impairment loss – The carrying amount of the Group's non-financial assets other than inventories, contract assets and deferred tax assets, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being the higher of its fair value less costs of disposal and its value in use, is estimated. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually. An impairment loss is recognized in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Reversal of an impairment loss – Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reviewed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

2.7.15 Provisions

Recognition of a provision – Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

Provision for warranties and returns – A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical data.

3 SCOPE OF CONSOLIDATION

3.1 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The scope of the consolidation does not include an interest in any of the following:

- Subsidiaries with non-controlling interests
- Associates
- Joint arrangements

The following subsidiaries are included in the consolidated financial statements:

Company	Registered office	Participation in % (capital and votes)	Currency	Share capital (LC 1,000)	Activities
Tecan Schweiz AG	Männedorf/Zurich (CH)	100%	CHF	5,000	R/P/D
Tecan Trading AG	Männedorf/Zurich (CH)	100%	CHF	300	S/D
Tecan Sales Switzerland AG	Männedorf/Zurich (CH)	100%	CHF	250	D
Tecan Austria GmbH	Grödig/Salzburg (AT)	100%	EUR	1,460	R
Tecan Sales Austria GmbH	Grödig/Salzburg (AT)	100%	EUR	35	D
Tecan Sales International GmbH	Grödig/Salzburg (AT)	100%	EUR	35	D
Tecan Landesholding GmbH	Crailsheim/Stuttgart (DE)	100%	EUR	25	S
• Tecan Deutschland GmbH	Crailsheim/Stuttgart (DE)	100%	EUR	51	D
• Tecan Software Competence Center GmbH	Mainz-Kastel (DE)	100%	EUR	103	R
• IBL International GmbH	Hamburg (DE)	100%	EUR	25	R/P/D
Tecan Benelux B.V.	Mechelen (BE)	100%	EUR	37	D
Tecan France S.A.S.	Lyon (FR)	100%	EUR	2,760	D
Tecan Iberica Instrumentacion S.L.	Barcelona (ES)	100%	EUR	30	D
Tecan Italia S.r.l.	Milano (IT)	100%	EUR	77	D
Tecan UK Ltd.	Reading (GB)	100%	GBP	500	D
Tecan Nordic AB	Stockholm (SE)	100%	SEK	100	D
Tecan US Group, Inc.	Morrisville, NC (US)	100%	USD	1,500	S
• Tecan US, Inc.	Morrisville, NC (US)	100%	USD	400	D
• Tecan Systems, Inc.	San Jose, CA (US)	100%	USD	26	R/P
• Tecan SP, Inc.	Baldwin Park/Los Angeles, CA (US)	100%	USD	472	R/P/D
• Tecan Genomics, Inc.	Redwood City, CA (US)	100%	USD	0	R/P/D
• DCPM, Inc.	Morgan Hill, CA (US)	100%	USD	58	P/D
• Paramit Corp.	Morgan Hill, CA (US)	100%	USD	0	P/D
– Emphysys, Inc.	Boston, MA (US)	100%	USD	0	R/D
– Paramit Malysia Sdn. Bhd.	Penang (MY)	100%	USD	5,178	P/D
Tecan Asia (Pte.) Ltd.	Singapore (SG)	100%	SGD	800	S
Tecan (Shanghai) Laboratory Equipment Co., Ltd.	Shanghai (CN)	100%	CNY	3,417	D
PMAS Co., Ltd	Ben Cat Town, Binh Duong Province (VN)	100%	VND	10,367,000	P
Tecan Korea Ltd.	Seoul (KR)	100%	KRW	100,000	D
Tecan Japan Co., Ltd.	Kawasaki (JP)	100%	JPY	125,000	D
Tecan Australia Pty Ltd	Melbourne (AU)	100%	AUD	0	D

S = services, holding functions, R = research and development, P = production, D = distribution

4 SALES – REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 DISAGGREGATION OF REVENUE AND RECONCILIATION TO SEGMENT INFORMATION

	Life Sciences Business			Partnering Business			Total 2022		
CHF 1,000	Revenue contracts with customers	Leases	Sales segment Life Sciences Business	Revenue contracts with customers	Leases	Sales segment Partnering Business	Revenue contracts with customers	Leases	Total sales
By regions (location of customer)									
Europe	161,643	1,034	162,677	216,712	-	216,712	378,355	1,034	379,389
Americas	235,011	-	235,011	342,247	-	342,247	577,258	-	577,258
Asia	82,020	-	82,020	89,688	-	89,688	171,708	-	171,708
Others	12,592	-	12,592	3,314	-	3,314	15,906	-	15,906
Total	**491,266**	**1,034**	**492,300**	**651,961**	**-**	**651,961**	**1,143,227**	**1,034**	**1,144,261**
By products and services									
Products	389,408	-	389,408	587,240	-	587,240	976,648	-	976,648
Services	101,858	-	101,858	64,721	-	64,721	166,579	-	166,579
Leases	-	1,034	1,034	-	-	-	-	1,034	1,034
Total	**491,266**	**1,034**	**492,300**	**651,961**	**-**	**651,961**	**1,143,227**	**1,034**	**1,144,261**
By timing of revenue recognition									
Point in time	425,645	-	425,645	309,586	-	309,586	735,231	-	735,231
Over time	65,621	-	65,621	342,375	-	342,375	407,996	-	407,996
Leases	-	1,034	1,034	-	-	-	-	1,034	1,034
Total	**491,266**	**1,034**	**492,300**	**651,961**	**-**	**651,961**	**1,143,227**	**1,034**	**1,144,261**

	Life Sciences Business			Partnering Business			Total 2023		
CHF 1,000	Revenue contracts with customers	Leases	Sales segment Life Sciences Business	Revenue contracts with customers	Leases	Sales segment Partnering Business	Revenue contracts with customers	Leases	Total sales
By regions (location of customer)									
Europe	133,451	923	134,374	159,188	-	159,188	292,639	923	293,562
Americas	232,466	-	232,466	378,472	-	378,472	610,938	-	610,938
Asia	75,981	-	75,981	82,018	-	82,018	157,999	-	157,999
Others	8,975	-	8,975	2,912	-	2,912	11,887	-	11,887
Total	**450,873**	**923**	**451,796**	**622,590**	**-**	**622,590**	**1,073,463**	**923**	**1,074,386**
By products and services									
Products	344,322	-	344,322	568,056	-	568,056	912,378	-	912,378
Services	106,551	-	106,551	54,534	-	54,534	161,085	-	161,085
Leases	-	923	923	-	-	-	-	923	923
Total	**450,873**	**923**	**451,796**	**622,590**	**-**	**622,590**	**1,073,463**	**923**	**1,074,386**
By timing of revenue recognition									
Point in time	380,009	-	380,009	278,394	-	278,394	658,403	-	658,403
Over time	70,864	-	70,864	344,196	-	344,196	415,060	-	415,060
Leases	-	923	923	-	-	-	-	923	923
Total	**450,873**	**923**	**451,796**	**622,590**	**-**	**622,590**	**1,073,463**	**923**	**1,074,386**

4.2 CONTRACT BALANCES

CHF 1,000	Notes	31.12.2022	**31.12.2023**
Trade accounts receivable	16	156,835	158,677
Contract assets		25,280	35,490
Current contract liabilities	23	(100,177)	(82,475)
Non-current contract liabilities	23	(11,149)	(8,482)

Trade accounts receivable are non-interest bearing and are generally on terms of 30 to 90 days. In 2023, CHF 2.4 million (2022: CHF 3.0 million) was recognized as allowance for expected credit losses.

Contract assets are initially recognized for revenue earned for the installation of complex instruments, contract manufacturing as well as engineering services without delivery of instruments, if the contracts fulfil the criteria for revenue recognition over time. The amounts recognized as contract assets are reclassified to trade accounts receivable to the extent they can be billed to the customer. There are no allowances for expected credit losses in 2022 and 2023.

Set out below is the amount of revenue recognized from

CHF 1,000	2022	**2023**
Amounts included in contract liabilities at the beginning of the year	82,725	97,998
Performance obligations satisfied in previous years	–	–

4.3 PERFORMANCE OBLIGATIONS

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of December 31 are as follows:

	31.12.2022			**31.12.2023**		
CHF 1,000	Contract liabilities	Performance obligations not yet billed	Total remaining performance obligations	Contract liabilities	Performance obligations not yet billed	Total remaining performance obligations
Expected to be recognized						
Within one year	100,177	339,839	440,016	82,475	275,946	358,421
More than one year	11,149	28,051	39,200	8,482	37,391	45,873
Total transaction price allocated	**111,326**	**367,890**	**479,216**	**90,957**	**313,337**	**404,294**

5 SALES – INCOME FROM OPERATING LEASE ARRANGEMENTS (GROUP AS LESSOR)

The operating leases relate to arrangements in which the Group provides instruments free of charge in return for a minimum commitment of the customer for consumables or reagents. The Group did not enter any finance lease contracts. The total consideration of such combined contracts is allocated to the lease component and the sale of the consumables and reagents in proportion to the estimated stand-alone values of the lease and the minimum commitment for consumables and reagents.

The future minimum lease receivables under non-cancellable operating leases are:

CHF 1,000	31.12.2022	**31.12.2023**
Due date		
Within one year	939	978
In 1 to 3 years	1,459	1,327
In 3 to 5 years	708	575
After 5 years	180	148
Total future minimum lease receivables	**3,286**	**3,028**

In financial year 2023, CHF 0.9 million (2022: CHF 1.0 million) were recognized as sales from leases in the consolidated statement of profit or loss.

6 SEGMENT INFORMATION

6.1 INFORMATION BY BUSINESS SEGMENTS

	Life Sciences Business		Partnering Business		Corporate/ consolidation		Group	
CHF 1,000	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**
Sales third	492,300	451,796	651,961	622,590	-	-	1,144,261	1,074,386
Intersegment sales	18,031	9,612	1,543	1,065	(19,574)	(10,677)	-	-
Total sales	**510,331**	**461,408**	**653,504**	**623,655**	**(19,574)**	**(10,677)**	**1,144,261**	**1,074,386**
Operating profit	**87,129**	**84,422**	**74,377**	**64,392**	**(13,671)**	**(12,847)**	**147,835**	**135,967**
Depreciation and amortization	(22,137)	(22,371)	(44,917)	(48,423)	-	-	(67,054)	(70,794)
Impairment	-	(234)	-	(302)	-	-	-	(536)

CHF 1,000	2022	**2023**
Reconciliation of reportable segment sales		
Total sales for reportable segments	1,163,835	1,085,063
Elimination of intersegment sales	(19,574)	(10,677)
Total consolidated sales	**1,144,261**	**1,074,386**
Reconciliation of reportable segment profit		
Total operating profit for reportable segments	161,506	148,814
Unallocated costs (business development, investor relations and other corporate costs) and consolidation entries	(13,671)	(12,847)
Financial result	(5,350)	(2,162)
Total consolidated profit before taxes	**142,485**	**133,805**

6.2 ENTITY-WIDE DISCLOSURES

Non-current assets by regions (by location of assets)

	Property, plant and equipment		Right-of-use assets		Intangible assets	
CHF 1,000	31.12.2022	**31.12.2023**	31.12.2022	**31.12.2023**	31.12.2022	**31.12.2023**
Switzerland	18,824	18,715	12,967	9,253	100,670	105,919
Other Europe	5,244	4,890	10,533	8,829	4,410	3,430
USA	46,318	35,025	27,183	41,987	971,903	867,988
Asia	23,639	22,391	4,698	4,080	51,024	43,880
Total	**94,025**	**81,021**	**55,381**	**64,149**	**1,128,007**	**1,021,217**

Information about major customers

There are sales to one individual customer (CHF 199.1 million) relating to business segment 'Partnering Business' that in aggregate exceeded 10% of total sales in 2023 (2022: one individual customer [CHF 146.1 million] relating to business segment 'Partnering Business').

7 OPERATING EXPENSES BY NATURE

CHF 1,000	Notes	2022	**2023**
Material costs		476,336	451,674
Personnel expenses	12.2	349,916	332,233
Depreciation of property, plant and equipment		16,578	24,949
Impairment loss on property, plant and equipment		-	536
Depreciation of right-of-use assets		14,874	14,186
Amortization of intangible assets		35,602	31,659
Other operating costs		119,199	108,273
Total operating costs incurred (gross)		**1,012,505**	**963,510**
Capitalization of development costs in position inventories		(2,636)	(5,841)
Capitalization of development costs in position intangible assets	21	(11,561)	(12,327)
Other operating income		(1,882)	(6,923)
Total operating expenses, according to statement of profit or loss		**996,426**	**938,419**

8 RESEARCH AND DEVELOPMENT

CHF 1,000	Notes	2022	**2023**
Gross research and development costs incurred[1]		94,001	89,649
Reclassification of development costs related to engineering services to cost of sales		(18,840)	(18,391)
Capitalization of development costs in position inventories		(2,636)	(5,841)
Capitalization of development costs in position intangible assets	21	(11,561)	(12,327)
Amortization of development costs and acquired technology		16,926	16,650
Total research and development (gross), according to statement of profit or loss		**77,890**	**69,740**
Government research subsidies, recognized in other operating income		(909)	(735)
Total research and development (net)		76,981	69,005

[1] The amount includes the cost of materials, external services, personnel, temporary employees and overhead.

Costs for research and the development of new products (gross) amounted to 6.5% of sales (2022: 6.8%).

9 OTHER OPERATING RESULT

CHF 1,000	Notes	2022	2023
Government grants for research activities		909	735
Reversal US government grant	24	-	4,411
Other government grants		-	105
Commissions income		182	211
Income related to sales and use tax positions		-	1,273
Miscellaneous refunds		635	-
Other operating income (miscellaneous)		156	188
Total other operating income		**1,882**	**6,923**

CHF 1,000	2022	2023
Other operating expenses (miscellaneous)	-	49
Total other operating expenses	**-**	**49**

10 FINANCIAL RESULT

CHF 1,000	2022	2023
Financial income		
Interest income	383	4,494
Subtotal financial income	**383**	**4,494**
Financial expenses		
Interest expenses bond (amortized cost)	(263)	(264)
Interest expenses on lease liabilities	(670)	(671)
Other interest expenses	(382)	(40)
Net interest expense on liability for post-employment benefits	(161)	(358)
Other	8	15
Subtotal financial expenses	**(1,476)**	**(1,318)**
Net foreign exchange gains/(losses)		
FX derivatives measured at fair value through profit or loss	(2,548)	5,376
Other net foreign exchange losses	(1,709)	(10,714)
Subtotal net foreign exchange losses	**(4,257)**	**(5,338)**
Total financial result	**(5,350)**	**(2,162)**

11 EARNINGS PER SHARE

The earnings per share are based on the consolidated profit for the period and the average number of shares outstanding.

		2022		**2023**
Average number of shares outstanding		**12,716,274**		**12,770,050**
Basic earnings per share (CHF/share)		**9.53**		**10.34**
Employee share option plans				
Average number of shares under option total	54,196		51,392	
Average number of shares under option dilutive	36,869		26,492	
Average adjusted exercise price	221.99		235.02	
Number of shares that would have been issued at market price	(19,846)		(18,131)	
Adjustment for dilutive share options		17,023		8,361
Employee share plans				
Adjustment for contingently issuable shares (PSMP/matching shares)		54,104		41,408
Adjustment for not vested shares (other share plans)		913		949
Average number of shares outstanding after dilution		**12,788,314**		**12,820,768**
Diluted earnings per share (CHF/share)		**9.47**		**10.30**

12 EMPLOYEE BENEFITS

12.1 NUMBER OF EMPLOYEES

FTE (full-time equivalent)	2022	**2023**
Employees – year-end	3,531	3,591
Employees – average	3,380	3,570

12.2 PERSONNEL EXPENSES

Personnel expenses include the following:

CHF 1,000	Notes	2022	**2023**
Salaries and wages		280,664	264,468
Social security		30,169	31,434
Post-employment benefits relating to			
Defined contribution plans		4,858	4,590
Defined benefit plans	12.3	9,387	3,811
Share-based payment	12.4	13,849	14,819
Other personnel expenses		10,989	13,111
Total personnel expenses		**349,916**	**332,233**

12.3 LIABILITY FOR POST-EMPLOYMENT BENEFITS: DEFINED BENEFIT PLANS

12.3.1 Characteristics of defined benefit plans and risks associated with them

	31.12.2022			**31.12.2023**		
	Swiss plans	International plans	Total	Swiss plans	International plans	Total
Number of plans	4	3	7	4	3	7
Actives						
Number	725	106	831	732	107	839
Defined benefit obligation (CHF 1,000)	177,961	3,965	181,926	198,065	3,896	201,961
Weighted average duration in years	15.7	7.7	15.5	16.8	6.0	16.8
Retirees						
Number	8	–	8	7	-	7
Defined benefit obligation (CHF 1,000)	4,754	–	4,754	4,670	-	4,670
Weighted average duration in years	13.6	–	13.6	14.2	-	14.2
Total						
Number	733	106	839	739	107	846

Within the Group, various defined benefit plans exist, which differ in their purpose and financing according to local needs:

Country	Benefits	Funded/ Unfunded	Description and risks
Switzerland (Swiss plans)	Retirement, death-in-service and disability benefits	Funded	**Nature of the benefits provided** The pension plans of Tecan Group Ltd., Tecan Schweiz AG, Tecan Sales Switzerland AG and Tecan Trading AG are plans with guarantee of a minimum interest credit on the savings and fixed conversion rates at retirement. Disability and death benefits are defined as a percentage of the insured salary. **Regulatory framework** The plan provides benefits based on the LPP/BVG law, which stipulates the minimum requirements of the mandatory employer-sponsored pension plan in Switzerland. In particular, annual salary up to CHF 88'200 (as from January 1, 2023) must be insured and the financing is age-dependent with contribution rates in per cent of the insured salary ranging from 7% to 18%. The conversion rate to calculate the annuity based on the accrued savings capital is 6.8% at normal retirement age (65 for men and women). Under LPP/BVG law, the plan must be fully funded on a static basis at all times. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, or reduction of benefits or a combination of both. **Specific plan rules** The saving credits for the retirement benefits are defined in percentage of the insured salary. The saving credits for the part of the annual salary between CHF 25'725 and CHF 88'200 are age-dependent and range from 8% to 19%. The saving credits for the part of the annual salary above CHF 88'200 amount to 14% for the employees and to 18% or 19% for the members of the management. The conversion rate for the mandatory part of the savings capital is 6.8% at normal retirement age. For the exceeding part of the savings capital, the conversion rate is defined by the board of trustees. The annual disability pension amounts to 70% of the insured salary, the annual partner's pension to 50% of the insured salary or to 60% of the current retirement pension. In case of death before retirement an additional lump-sum of 200% of the insured salary is paid.

Country	Benefits	Funded/ Unfunded	Description and risks
Switzerland (Swiss plans)	Retirement, death-in-service and disability benefits	Funded	**Governance of the plan** The companies are affiliated to the collective foundation AXA Collective BVG Foundation. The collective foundation is a separate legal entity. The foundation is responsible for the governance of the plan; the foundation's board of trustees is composed of an equal number of representatives from the employers and employees chosen from all affiliated companies. The foundation has set up investment guidelines, defining in particular, the strategic allocation with ranges. Additionally, there are pension committees for each affiliated company composed of an equal number of representatives from the company and the employees. The pension committee is responsible for the set-up of the plan benefits. **Risks to which the plan exposes the Group** The plan provider AXA Collective BVG Foundation has reinsured the risks disability, death and longevity with AXA insurance. Therefore, the Group is only exposed to the investment risk and the risk that the AXA Collective BVG Foundation terminates the affiliation contract or increases the premiums. **Plan amendments, settlements or curtailments** In autumn 2021, the employees of the Swiss entities decided to move from the full insurance plan provided by former Swiss Life Ltd. to a partial insurance plan provided by AXA foundation. The new pension solution was effective as of January 1, 2022. The resulting past service cost of CHF 2.7 million, mainly caused by improved orphan benefits, was included in the personnel expenses of 2021. Further past service cost of CHF 1.5 million related to the lower entry age limit of the employees (20 years instead of 25 years) was recognized in the personnel expenses of 2022. In 2023 the board of trustees has decided to reduce the conversion rates for calculating the annuity relating to the exceeding part of savings capital, starting from January 1, 2025. This modification is considered as a plan amendment. The resulting past service costs amounting to CHF 4.4 million (gain) were recognized immediately in profit or loss.
Austria (International plans)	Long-service leave benefits	Unfunded	**Nature of the benefits provided** The severance-payments plan of Tecan Austria GmbH and Tecan Sales Austria GmbH guarantees a one-time lump sum payment once the employee leaves the company. The plan was closed for new members on December 31, 2002. Plan participants are all employees with at least 3 years of service and an entry-date before January 1, 2003. The membership to this plan is mandatory. **Regulatory framework** The plan provides benefits according to Austrian law (AngG 23 and 23a) which stipulates benefits in case of retirement, death (50%), disability or termination of employment. Vesting is after 3 years of service, whereas all rights forfeit in the case of voluntary termination. The level of the benefits depends on the period of service in the company and amounts to a lump-sum payment of 2 monthly salaries after 3 years of service up to 12 monthly salaries after 25 years of service. The monthly salary is defined as the twelfth part of the total annual salary of the last 12 months. **Governance of the plan** Only the company (employer) is responsible for the governance of the plan. **Risks to which the plan exposes the Group** The plan is exposed to an inflation risk as well as to the risk of salary increases. There is no longevity risk because the payments are due latest at retirement. **Plan amendments, settlements or curtailments** There were no plan amendments, settlements or curtailments during the financial years 2022 and 2023.
Other (International plans)	Retirement benefits	Unfunded	There are two minor retirement benefit plans in Tecan Japan Co., Ltd. and Tecan Italia S.r.l. for only a limited number of participants.

12.3.2 Amounts recognized in the financial statements

The amounts recognized in the balance sheet are as follows:

CHF 1,000	31.12.2022	31.12.2023
Swiss plans		
Present value of obligations arising from retirement benefit plans (funded)	182,715	202,735
Related fair value of plan assets	(166,757)	(162,648)
Deficit Swiss plans	**15,958**	**40,087**
International plans		
Present value of obligations arising from retirement benefit plans (unfunded)	1,053	942
Present value of obligations arising from long-service leave benefit plans (unfunded)	2,912	2,954
Deficit International plans	**3,965**	**3,896**
Total liability for post-employment benefits	**19,923**	**43,983**

The components of defined benefit cost are as follows:

	2022			2023		
CHF 1,000	Swiss plans	International plans	Total	Swiss plans	International plans	Total
Current service cost	7,600	290	7,890	7,927	242	8,169
Past service cost (plan amendment)	1,497	-	1,497	(4,358)	-	(4,358)
Defined benefit cost included in operating profit	**9,097**	**290**	**9,387**	**3,569**	**242**	**3,811**
Net interest cost on liability for post-employment benefits	139	22	161	237	121	358
Defined benefit cost included in finance cost	**139**	**22**	**161**	**237**	**121**	**358**
Total defined benefit cost included in profit or loss	**9,236**	**312**	**9,548**	**3,806**	**363**	**4,169**
Actuarial (gains)/losses on obligations						
Changes in demographic assumptions	-	4	4	-	(72)	(72)
Changes in financial assumptions	(51,144)	(680)	(51,824)	27,435	(55)	27,380
Experience adjustments	37,607	(86)	37,521	(4,727)	115	(4,612)
Return on plan assets (excluding interest income)	(16,203)	-	(16,203)	5,746	-	5,746
Remeasurement (gains)/losses included in other comprehensive income	**(29,740)**	**(762)**	**(30,502)**	**28,454**	**(12)**	**28,442**
Translation differences included in other comprehensive income	-	(257)	(257)	-	(309)	(309)
Total defined benefit cost recognized	**(20,504)**	**(707)**	**(21,211)**	**32,260**	**42**	**32,302**

The Group expects to contribute CHF 9.3 million to its defined benefit plans in 2024.

Changes in the present value of the defined benefit obligation are as follows:

CHF 1,000	2022 Swiss plans	2022 International plans	2022 Total	2023 Swiss plans	2023 International plans	2023 Total
Balance at January 1	180,221	4,862	185,083	182,715	3,965	186,680
Current service cost	7,600	290	7,890	7,927	242	8,169
Past service cost	1,497	-	1,497	(4,358)	-	(4,358)
Employee contributions	5,759	-	5,759	6,065	-	6,065
Insurance premiums	(1,759)	-	(1,759)	(1,988)	-	(1,988)
Benefits paid	2,316	(190)	2,126	(14,609)	(111)	(14,720)
Interest expense	618	22	640	4,275	121	4,396
Actuarial (gains)/losses	(13,537)	(762)	(14,299)	22,708	(12)	22,696
Translation differences	-	(257)	(257)	-	(309)	(309)
Balance at December 31	**182,715**	**3,965**	**186,680**	**202,735**	**3,896**	**206,631**

Changes in the fair value of plan assets are as follows:

CHF 1,000	2022 Swiss plans	2022 International plans	2022 Total	2023 Swiss plans	2023 International plans	2023 Total
Balance at January 1	135,989	-	135,989	166,757	-	166,757
Employer contributions	7,770	-	7,770	8,131	-	8,131
Employee contributions	5,759	-	5,759	6,065	-	6,065
Insurance premiums	(1,759)	-	(1,759)	(1,988)	-	(1,988)
Benefits paid	2,316	-	2,316	(14,609)	-	(14,609)
Interest income	479	-	479	4,038	-	4,038
Return on plan assets (excluding interest income)	16,203	-	16,203	(5,746)	-	(5,746)
Balance at December 31	**166,757**	**-**	**166,757**	**162,648**	**-**	**162,648**

The plan assets consist of:

CHF 1,000		31.12.2022		31.12.2023	
Cash	quoted	1,668	1%	1,627	1%
Equity securities	quoted	56,697	34%	55,300	34%
Debt securities	quoted	53,362	32%	52,047	32%
Real estate	quoted	43,357	26%	42,289	26%
Other	not quoted	11,673	7%	11,385	7%
Balance at December 31		**166,757**	**100%**	**162,648**	**100%**

12.3.3 Actuarial assumptions and sensitivity analysis

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.12.2022 Swiss plans	31.12.2022 International plans	31.12.2023 Swiss plans	31.12.2023 International plans
Discount rates	2.40%	3.23%	1.40%	3.56%
Rate of future salary increases	1.75%	3.44%	1.75%	3.56%
Rate of future pension increases	0.00%	0.00%	0.00%	0.00%
Rates for the projection of savings capital[1]	1.00%	n/a	1.00%	n/a
Mortality tables[2]	BVG2020G	various	BVG2020G	various

[1] Swiss plans: the rate is only applied to the mandatory part.

[2] Model 'Continuous Mortality Investigation (CMI)'

Sensitivities of significant actuarial assumptions

The discount rate, the rate of future salary increase and the life expectancy were identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected:

CHF 1,000	Change in actuarial assumptions	31.12.2022 Swiss plans	31.12.2022 International plans	31.12.2022 Total	**31.12.2023** Swiss plans	**31.12.2023** International plans	**31.12.2023** Total
Discount rates	- 25 basis points	5,481	71	5,552	5,464	54	5,518
	+ 25 basis points	(5,481)	(67)	(5,548)	(5,174)	(53)	(5,227)
Rate of future salary increases	- 25 basis points	(1,827)	(62)	(1,889)	(1,627)	(50)	(1,677)
	+ 25 basis points	1,827	66	1,893	1,642	49	1,691
Life expectancy	- 1 year	(1,827)	(5)	(1,832)	(2,678)	(6)	(2,684)
	+ 1 year	1,827	5	1,832	2,776	3	2,779

(positive = increase in obligation / negative = decrease in obligation)

The sensitivity analysis is based on realistically possible changes at the end of the reporting period. Each change in significant assumption was analyzed separately as part of the test. Interdependencies were not considered.

12.4 EMPLOYEE PARTICIPATION PLANS - SHARE-BASED PAYMENT

12.4.1 Employee share option plans

The terms and conditions of the outstanding grants are as follows:

Plan	Plan terms Grant date	Plan terms Expiry date	Plan terms Number granted	Plan terms Exercise price	31.12.2022 Remaining contractual life (years)	31.12.2022 Number outstanding	**31.12.2023** Remaining contractual life (years)	**31.12.2023** Number outstanding
Plan 2017	02.11.2016	02.11.2023	23,907	162.8	0.8	1,714	-	-
Plan 2018	02.11.2017	02.11.2024	22,071	212.1	1.8	5,690	0.8	3,753
Plan 2019	02.11.2018	02.11.2025	23,921	228.7	2.8	12,290	1.8	8,953
Plan 2020	02.11.2019	02.11.2026	23,334	236.0	3.8	11,457	2.8	8,871
Plan 2021	02.11.2020	02.11.2027	9,056	434.2	4.8	7,644	3.8	6,658
Plan 2022	02.11.2021	02.11.2028	7,050	571.5	5.8	6,689	4.8	5,946
Plan 2023	02.11.2022	02.11.2029	10,735	356.6	6.8	10,735	5.8	10,565
Plan 2024	02.11.2023	02.11.2030	14,313	265.8	-	-	6.8	14,313
Total					**4.2**	**56,219**	**4.3**	**59,059**
Thereof exercisable at December 31						38,272		35,585

All plans are granted to members of the management level 3 and 4 and have a contractual life of 7 years. The vesting conditions are one / two / three years of service for 33%/33%/34% of options. One option grants the right to purchase one Tecan share with settlement by physical delivery (equity-settled). All outstanding options are fully covered by the conditional share capital.

The number and weighted average exercise price of the share options are as follows:

	2022 Weighted average exercise price (CHF)	2022 Number	**2023** Weighted average exercise price (CHF)	**2023** Number
Balance at January 1	297.49	55,249	319.65	56,219
Granted	356.60	10,735	265.80	14,313
Exercised	217.78	(7,592)	215.33	(9,488)
Forfeited to expired	294.77	(2,173)	470.36	(1,985)
Balance at December 31	**319.65**	**56,219**	**318.29**	**59,059**

The weighted average share price at the date of exercise was CHF 375.31 in 2022 and CHF 366.05 in 2023.

The expenses, recognized in profit or loss, are calculated as follows:

The fair value of services received in return for the share options granted is measured by reference to the share options vested multiplied by their fair value at grant date (measurement date). The estimate of the fair value is based on a trinomial model. Changes in the fair value of the option after the grant date do not change the fair value of the services received.

Fair value of share options and key assumptions (not yet vested share option plans):

Grant	Share price	Exercise price	Expected volatility[1]	Option life	Expected dividends	Risk-free interest rate	Fair value
Plan 2021	CHF 434.20	CHF 434.20	33.09%	7.0 years	0.31%	(0.50%)	**CHF 138.04**
Plan 2022	CHF 571.50	CHF 571.50	33.48%	7.0 years	0.24%	0.12%	**CHF 192.23**
Plan 2023	CHF 356.60	CHF 356.60	34.34%	7.0 years	0.35%	1.83%	**CHF 134.18**
Plan 2024	CHF 265.80	CHF 265.80	36.04%	7.0 years	0.82%	1.47%	**CHF 97.58**

[1] Historic volatility with an underlying period that depends on the option life

Data source: Financial data supplier

12.4.2 Employee share plans

12.4.2.1 Performance share matching plans (PSMP)

The terms and conditions of the outstanding grants are as follows, whereby all shares are delivered physically (equity-settled) and free of charge:

Plan	Employees entitled/grant date	Number of shares granted	Fair value at grant	Vesting period	Vesting conditions
Performance share matching plan (PSMP) 2021					
Initial grant	Extended Management Board on March 10, 2021	7,990 shares	CHF 369.30	Immediate vesting[1]	None
	Other management on May 3, 2021	902 shares	CHF 435.30		
Matching shares	Extended Management Board on March 10, 2021	19,975 shares (maximum of potential shares granted)	CHF 364.70	January 1, 2021 to December 31, 2023	Three years of service and performance target
	Other management on May 3, 2021	2,255 shares (maximum of potential shares granted)	CHF 430.70		
Performance share matching plan (PSMP) 2022					
Initial grant	Extended Management Board on March 9, 2022	9,210 shares	CHF 366.60	Immediate vesting[1]	None
	Other management on May 2, 2022	1,088 shares	CHF 288.60		
Matching shares	Extended Management Board on March 9, 2022	23,025 shares (maximum of potential shares granted)	CHF 361.00	January 1, 2022 to December 31, 2024	Three years of service and performance target
	Other management on May 2, 2022	2,721 shares (maximum of potential shares granted)	CHF 283.00		
Performance share matching plan (PSMP) 2023					
Initial grant	Extended Management Board on March 8, 2023	9,510 shares	CHF 388.30	Immediate vesting[1]	None
	Other management on May 2, 2023	1,190 shares	CHF 380.70		
Matching shares	Extended Management Board on March 8, 2023	23,775 shares (maximum of potential shares granted)	CHF 382.50	January 1, 2023 to December 31, 2025	Three years of service and performance target
	Other management on May 2, 2023	2,975 shares (maximum of potential shares granted)	CHF 374.90		

[1] Vested shares are blocked until the end of the performance period.

Number of shares outstanding at December 31:

Employee shares	2022	2023
Balance at January 1	108,970	97,304
Granted	36,044	37,450
Deblocked and available to the participants	(47,629)	(39,262)
Forfeited	(81)	(452)
Balance at December 31	**97,304**	**95,040**
Thereof vested and transferred, but blocked until the end of the performance period	19,190	21,114

The expenses, recognized in profit or loss, are calculated as follows:

The fair value of services received in return for the shares granted is measured by reference to the shares vested multiplied by their fair value at grant date (measurement date). The fair value at grant represents the market value of one Tecan share adjusted for expected dividend payments during the vesting period. Changes in the fair value of the shares after the grant date do not change the fair value of the services received.

The number of matching shares is determined based on the following formula: number of shares from initial grant that qualify for matching shares, multiplied by the matching share factor. The matching share factor is dependent on the achievement of specific economic profit targets. In any case, the matching share factor will not be lower than 0.0 and not higher than 2.5.

Number of matching shares expected to vest on December 31, 2023:

Plan	Total base shares[1]	Matching share factor applied	Matching shares expected to vest[2]
PSMP 2021	8,806	2.5	22,015
PSMP 2022	10,159	2.5	25,398
PSMP 2023	10,605	2.5	26,513

[1] Only shares that qualify for matching shares

[2] Not adjusted for expected fluctuation

12.4.2.2 Other share plans

The terms and conditions of the outstanding grants are as follows, whereby all shares are delivered physically (equity-settled) and free of charge:

Plan	Employees entitled/grant date	Number of shares granted	Fair value at grant	Vesting period	Vesting conditions
Share plan 2023 – Board of Directors (BoD)					
Annual grant	Board of Directors on April 18, 2023	937 shares	CHF 401.30	Graded vesting from May 1, 2023 to April 30, 2024	One year of service

12.4.3 Total expenses recognized

CHF 1,000	2022	2023
Expenses arising from equity-settled share option plans	1,169	1,266
Expenses arising from equity-settled performance share matching plans	12,341	13,182
Expenses arising from equity-settled other share plans	339	371
Total expenses recognized, excluding social security costs	**13,849**	**14,819**
Corresponding current and deferred income taxes recognized directly in equity	(1,793)	(485)
Total amount reported in consolidated statement of changes in equity	**12,056**	**14,334**

13 INCOME TAXES

13.1 INCOME TAXES IN STATEMENT OF PROFIT OR LOSS AND RECONCILIATION

CHF 1,000	2022	**2023**
Current income taxes	37,074	33,659
Deferred income taxes	(15,715)	(31,929)
Total income taxes	**21,359**	**1,730**

The income tax expense can be analyzed as follows:

CHF 1,000	2022	**2023**
Profit before taxes	142,485	133,805
Tax expense based on the Group's weighted average rate of 19.4% (2022: 19.8%)	**28,155**	**25,957**
Deferred taxes: tax rate change on opening deferred taxes and tax rate used for calculation of deferred taxes different to currently effective rate	1,611	(1,482)
Non-deductible expenses and additional taxable income	5,157	3,776
Tax-free income and tax reductions	(1,489)	(2,458)
Transitional measures from Swiss tax reform[1]	(12,945)	(23,188)
Unrecoverable withholding tax	(108)	(766)
Under/(over) provided in prior years	978	(109)
Tax expense reported	**21,359**	**1,730**

[1] See note 13.2.3

The tax rate of the Group is the weighted average tax rate obtained by applying the currently effective rate for each individual jurisdiction to its respective profit before taxes. As a result of changes in the country mix of the profit before taxes, the Group's expected tax rate for 2023 decreased to 19.4%.

13.2 DEFERRED INCOME TAXES

13.2.1 Amounts recognized in the financial statements

Amounts recognized and movements in deferred tax assets and liabilities:

CHF 1,000	Net balance at January 1	Recognized in profit or loss	Recognized in OCI[1]	Recognized directly in equity	Translation differences	31.12.2022 Net	31.12.2022 Deferred tax assets	31.12.2022 Deferred tax liabilities
Deferred taxes arising from temporary differences								
Receivables and contract assets	(3,900)	3,128	-	-	(141)	(913)	794	(1,707)
Inventories	18,558	(2,824)	-	-	(197)	15,537	16,075	(538)
Property, plant and equipment	(3,497)	45	-	-	(48)	(3,500)	190	(3,690)
Right-of-use assets	(13,242)	1,107	-	-	93	(12,042)	288	(12,330)
Intangible assets	(86,879)	8,637	-	-	(1,299)	(79,541)	-	(79,541)
Liabilities and accrued expenses	22,381	(2,222)	-	-	(9)	20,150	20,726	(576)
Deferred revenue	4,337	3,732			(64)	8,005	8,005	-
Liability for post-employment benefits	8,921	281	(5,737)	-	(41)	3,424	3,424	-
Provisions	3,598	768	-	(2,319)	9	2,056	5,802	(3,746)
Other	(546)	(1,750)	-	-	(8)	(2,304)	279	(2,583)
Subtotal	**(50,269)**	**10,902**	**(5,737)**	**(2,319)**	**(1,705)**	**(49,128)**	**55,583**	**(104,711)**
Expected tax benefits from								
Tax loss carry-forwards	4,694	(864)	-	-	87	3,917	3,917	-
Swiss tax reform	8,755	5,537	-	-	-	14,292	14,292	-
Deferred taxes provided on expected dividends from subsidiaries	(2,460)	108	-	-	-	(2,352)	-	(2,352)
Offsetting							(44,155)	44,155
Total	**(39,280)**	**15,683**	**(5,737)**	**(2,319)**	**(1,618)**	**(33,271)**	**29,637**	**(62,908)**

[1] Other comprehensive income

CHF 1,000	Net balance at January 1	Recognized in profit or loss	in OCI[1]	directly in equity	Translation differences	31.12.2023 Net	Deferred tax assets	Deferred tax liabilities
Deferred taxes arising from temporary differences								
Receivables and contract assets	(913)	(825)	-	-	(1)	(1,739)	538	(2,277)
Inventories	15,537	3,128	-	-	(1,483)	17,182	17,717	(535)
Property, plant and equipment	(3,500)	1,885	-	-	203	(1,412)	642	(2,054)
Right-of-use assets	(12,042)	(90)	-	-	875	(11,257)	307	(11,564)
Intangible assets	(79,541)	9,328	-	-	6,508	(63,705)	-	(63,705)
Liabilities and accrued expenses	20,150	(1,169)	-	-	(1,543)	17,438	18,019	(581)
Deferred revenue	8,005	217			(734)	7,488	7,488	
Liability for post-employment benefits	3,424	(818)	5,265	-	(43)	7,828	7,828	-
Provisions	2,056	1,176	-	(790)	(198)	2,244	5,852	(3,608)
Other	(2,304)	824	-	-	56	(1,424)	13	(1,437)
Subtotal	**(49,128)**	**13,656**	**5,265**	**(790)**	**3,640**	**(27,357)**	**58,404**	**(85,761)**
Expected tax benefits from								
Tax loss carry-forwards	3,917	(564)	-	-	(316)	3,037	3,037	-
Swiss tax reform	14,292	18,054	-	-	-	32,346	32,346	-
Deferred taxes provided on expected dividends from subsidiaries	(2,352)	776	-	-	-	(1,576)	-	(1,576)
Offsetting							(42,032)	42,032
Total	**(33,271)**	**31,922**	**5,265**	**(790)**	**3,324**	**6,450**	**51,755**	**(45,305)**

[1] Other comprehensive income

Temporary differences on intangible assets primarily relate to assets recognized during the purchase price allocation process for business combinations.

13.2.2 Tax benefits from tax loss carry-forwards

Deferred tax assets related to tax loss carry-forwards:

CHF 1,000	Gross value of tax loss carry-forwards not capitalized 31.12.2022	31.12.2023	Tax benefits 31.12.2022	31.12.2023
Expiring in				
1st - 5th year			-	-
6th year or beyond			1,875	1,178
Unlimited			2,042	1,859
Tax loss carry-forwards capitalized			**3,917**	**3,037**
Expiring in				
1st - 5th year	-	-	-	-
6th year or beyond	12,477	13,844	871	967
Unlimited	-	-	-	-
Tax loss carry-forwards not capitalized	**12,477**	**13,844**	**871**	**967**
Total tax loss carry-forwards	**12,477**	**13,844**	**4,788**	**4,004**

13.2.3 Tax benefits from the Swiss tax reform

On May 19, 2019, the Swiss electorate passed the Federal Act on Tax Reform and AHV Financing (TRAF). The tax reform abolished the tax regimes for holding, domiciliary and mixed companies as of January 1, 2020 and introduced new tax calculation principles. As part of the TRAF and cantonal tax practice, transitional measures were introduced to ease the transition from the current reliefs to the new tax calculation principles. For the Group, these measures allow amongst others the tax-effective amortization of a step-up amount over a period of up to 10 years. Therefore, the Group started to capitalize corresponding deferred tax assets in 2019.

Tax benefits related to the step-up mechanism that are not capitalized at year-end:

CHF 1,000	Year	Gross value of tax benefits not capitalized 31.12.2022	Gross value of tax benefits not capitalized **31.12.2023**	Tax benefits 31.12.2022	Tax benefits **31.12.2023**
Tax benefits available for					
Federal taxes	Until 2029	16,537	-	1,144	-
Cantonal taxes	Until 2029	303,928	153,152	35,590	17,781
Tax benefits not capitalized		**320,465**	**153,152**	**36,734**	**17,781**

13.2.4 Unrecognized deferred tax liabilities

On December 31, 2023, there are temporary differences of CHF 964 million (2022: CHF 1'041 million) related to investments in subsidiaries for which no deferred tax liabilities are recognized since the Group controls the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

14 CASH AND CASH EQUIVALENTS

CHF 1,000	31.12.2022	**31.12.2023**
Bank balances		
Denominated in CHF	48,481	44,828
Denominated in EUR	29,706	36,599
Denominated in GBP	1,478	1,791
Denominated in USD	23,699	37,646
Denominated in CNY	3,770	7,598
Denominated in JPY	1,109	757
Denominated in other currencies	3,198	3,746
Total cash and cash equivalents	**111,441**	**132,965**
Effective interest rate	0.06%	1.21%

15 OTHER CURRENT FINANCIAL ASSETS

CHF 1,000	Notes	31.12.2022	**31.12.2023**
Time deposits with a term of three months or more from the			
date of acquisition, denominated in CHF		180,000	230,000
Current derivatives (foreign currency forwards)	28.4	1,796	3,845
Convertible bonds	29.2	-	3,458
Total other current financial assets		**181,796**	**237,303**

At year-end 2023, there are time deposits with interest rates ranging from 1.70% to 2.00% (2022: time deposits with interest rates ranging from 0.96% to 1.20%).

16 TRADE ACCOUNTS RECEIVABLE

CHF 1,000	31.12.2022	**31.12.2023**
Trade accounts receivable		
Denominated in CHF	21,448	31,990
Denominated in EUR	20,199	22,266
Denominated in GBP	4,277	3,351
Denominated in USD	105,943	95,517
Denominated in CNY	630	882
Denominated in JPY	1,982	3,040
Denominated in other currencies	5,338	4,031
Subtotal trade accounts receivable	**159,817**	**161,077**
Allowance for expected credit losses		
Individual impairment allowance account	(332)	(129)
Collective impairment allowance account	(2,650)	(2,271)
Subtotal allowance for expected credit losses	**(2,982)**	**(2,400)**
Total trade accounts receivable	**156,835**	**158,677**
Net increase	30,320	13,452
Translation differences	(1,818)	(11,610)
Total change compared with previous year	**28,502**	**1,842**

The maximum exposure to credit risk for trade accounts receivable at the reporting date by geographic region (location of the debtor) is:

CHF 1,000	31.12.2022	**31.12.2023**
Switzerland (domestic)	15,306	18,445
Euro-zone countries	25,643	27,384
Other European countries	9,085	8,395
North America	96,064	88,546
Asia	10,267	14,880
Other	3,452	3,427
Total trade accounts receivable (excluding allowances)	**159,817**	**161,077**

The Group's most significant customer accounts for 10.8% of the trade accounts receivable carrying amount on December 31, 2023 (December 31, 2022: 11.5%).

The movement in the allowance for impairment in respect of trade accounts receivable during the year was as follows:

CHF 1,000	2022	2023
Individual impairment allowance account		
Balance at January 1	(192)	(332)
Change in impairment losses	(230)	(274)
Write-offs	87	460
Translation differences	3	17
Balance at December 31	**(332)**	**(129)**
Amount of trade accounts receivable with individual impairment (gross)	29,231	74,647
Collective impairment allowance account		
Balance at January 1	(2,642)	(2,650)
Change in impairment losses	(26)	209
Translation differences	18	170
Balance at December 31	**(2,650)**	**(2,271)**

The due dates of trade accounts receivable that are collectively impaired are:

	31.12.2022		31.12.2023	
CHF 1,000	Gross	Impairment	Gross	Impairment
Not past due	97,425	(495)	58,839	(359)
Past due 1–30 days	22,289	(130)	16,724	(110)
Past due 31–90 days	6,172	(101)	7,536	(249)
Past due 91–180 days	2,965	(617)	2,386	(526)
Past due more than 180 days	1,735	(1,307)	945	(1,027)
Total	**130,586**	**(2,650)**	**86,430**	**(2,271)**

The Group did not experience any severe financial difficulties with its debtors in the past. The sum of all recognized final write-offs of trade accounts receivable in 2022 and 2023 represents less than 1% of sales.

17 INVENTORIES

CHF 1,000	31.12.2022	31.12.2023
Raw materials, semi-finished and finished goods	279,580	241,859
Allowance for slow-moving inventories	(31,281)	(30,713)
Work in progress	20,383	17,452
Capitalized customer-specific development costs	31,906	25,770
Total inventories	**300,588**	**254,368**
Net increase/(decrease)	54,158	(29,473)
Reclassifications	(53)	116
Translation differences	(2,629)	(16,863)
Total change compared with previous year	**51,476**	**(46,220)**
Amount of write-offs due to slow-moving inventories charged to the statement of profit or loss	2,574	6,333

18 NON-CURRENT FINANCIAL ASSETS

CHF 1,000	Notes	31.12.2022	**31.12.2023**
Rent and other deposits		1,374	1,349
Unquoted equity investment (FVOCI)	29.2	4,225	3,901
Total non-current financial assets		**5,599**	**5,250**

19 PROPERTY, PLANT AND EQUIPMENT

CHF 1,000	Buildings	Leasehold improvements	Furniture and fittings	Machines and motor vehicles	EDP equipment	Equipment leased to customers[1]	**Total 2022**
At cost							
Balance at January 1, 2022	14,153	18,876	15,651	96,264	22,344	3,347	170,635
Additions	-	2,820	780	16,380	2,425	163	22,568
Disposals	-	(249)	(545)	(553)	(615)	-	(1,962)
Reclassification	-	(665)	-	1,498	(252)	(7)	574
Translation differences	180	(21)	(182)	(480)	(228)	(211)	(942)
Balance at December 31, 2022	**14,333**	**20,761**	**15,704**	**113,109**	**23,674**	**3,292**	**190,873**
Accumulated depreciation and impairment losses							
Balance at January 1, 2022	113	11,977	11,657	40,756	16,408	1,937	82,848
Annual depreciation	283	2,119	1,225	9,433	3,121	397	16,578
Disposals	-	(249)	(555)	(560)	(587)	-	(1,951)
Reclassification	-	-	-	586	(58)	(6)	522
Translation differences	(8)	(46)	(177)	(563)	(233)	(122)	(1,149)
Balance at December 31, 2022	**388**	**13,801**	**12,150**	**49,652**	**18,651**	**2,206**	**96,848**
Net book value	**13,945**	**6,960**	**3,554**	**63,457**	**5,023**	**1,086**	**94,025**

[1] See note 5

CHF 1,000	Buildings	Leasehold improvements	Furniture and fittings	Machines and motor vehicles	EDP equipment	Equipment leased to customers[1]	Total 2023
At cost							
Balance at January 1, 2023	14,333	20,761	15,704	113,109	23,674	3,292	190,873
Additions	547	924	959	13,740	2,565	698	19,433
Disposals	-	(142)	(1,128)	(6,766)	(4,682)	-	(12,718)
Reclassifications	580	(397)	201	(2,103)	1,604	(240)	(355)
Translation differences	(1,360)	(930)	(656)	(7,272)	(1,112)	(392)	(11,722)
Balance at December 31, 2023	**14,100**	**20,216**	**15,080**	**110,708**	**22,049**	**3,358**	**185,511**
Accumulated depreciation and impairment losses							
Balance at January 1, 2023	388	13,801	12,150	49,652	18,651	2,206	96,848
Annual depreciation	341	1,848	1,070	18,266	2,879	545	24,949
Impairment losses	-	-	-	536	-	-	536
Disposals	-	(142)	(1,109)	(6,274)	(4,676)	-	(12,201)
Reclassifications	257	208	288	(2,226)	1,446	(210)	(237)
Translation differences	(73)	(575)	(483)	(3,143)	(873)	(258)	(5,405)
Balance at December 31, 2023	**913**	**15,140**	**11,916**	**56,811**	**17,427**	**2,283**	**104,490**
Net book value	**13,187**	**5,076**	**3,164**	**53,897**	**4,622**	**1,075**	**81,021**

[1] See note 5

There are no purchase commitments at year-end 2022 and 2023.

20 RIGHT-OF-USE ASSETS (GROUP AS LESSEE)

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor see note 5.

20.1 AMOUNTS RECOGNIZED IN THE FINANCIAL STATEMENTS

The amounts recognized in the balance sheet are as follows:

CHF 1,000	Property	Office equipment	Machines	Motor vehicles	Total
Balance at January 1, 2022	60,164	33	8	2,341	62,546
Additions and subsequent measurement	6,964	37	-	857	7,858
Depreciation	(13,539)	(14)	(7)	(1,314)	(14,874)
Translation differences	(133)	(5)	(1)	(10)	(149)
Balance at December 31, 2022	**53,456**	**51**	**-**	**1,874**	**55,381**
Additions and subsequent measurement	24,915	(12)	6	1,840	26,749
Disposal	-	-	-	(55)	(55)
Depreciation	(12,966)	(19)	-	(1,201)	(14,186)
Translation differences	(3,634)	(5)	-	(101)	(3,740)
Balance at December 31, 2023	**61,771**	**15**	**6**	**2,357**	**64,149**

The related lease liabilities are disclosed in note 22.

The amounts recognized in the statement of profit or loss are as follows:

CHF 1,000	2022	**2023**
Depreciation expense of right-of-use assets	14,874	14,186
Expense related to short-term and low value leases	202	142
Interest cost on lease liabilities (included in finance cost)	670	671
Total amount recognized in profit or loss	**15,746**	**14,999**

In financial year 2023, the Group paid a total amount of CHF 14.7 million (2022: CHF 14.6 million) to its lessors.

20.2 ADDITIONAL DISCLOSURES

The Group has several property lease contracts that include renewal and termination options. Where useful, the Group aims to incorporate options into its leases to maximize operational flexibility. Normally, these options are exercisable only by the lessee and not by the lessors. For all locations, the undiscounted potential future rental payments relating to periods following the exercise date of the options are estimated at CHF 82.5 million, of which CHF 4.6 million, particularly the US locations of Paramit, are considered in the valuation of the right-of-use assets as of December 31, 2023.

At year-end 2023, there are no new lease commitments with commencement date after the balance sheet date (2022: none).

21 INTANGIBLE ASSETS AND GOODWILL

21.1 AMOUNTS RECOGNIZED IN THE FINANCIAL STATEMENTS

CHF 1,000	Development costs	Software	Patents and other rights	Acquired order backlog	Acquired brand	Acquired client relationships	Acquired technology	Goodwill	**Total 2022**
At cost									
Balance at January 1, 2022	114,599	37,598	345	16,341	17,386	253,130	80,561	767,098	1,287,058
Additions	-	-	239	-	-	-	-	-	239
Internally developed	11,561	1,364	-	-	-	-	-	-	12,925
Disposals	-	-	-	(17,095)	(382)	-	-	-	(17,477)
Translation differences	61	(57)	(6)	754	182	2,864	734	8,042	12,574
Balance at December 31, 2022	**126,221**	**38,905**	**578**	**-**	**17,186**	**255,994**	**81,295**	**775,140**	**1,295,319**
Accumulated amortization and impairment losses									
Balance at January 1, 2022	76,607	29,478	345	13,618	2,638	14,250	12,353	-	149,289
Annual amortization	10,400	1,727	3	2,849	1,666	12,435	6,522	-	35,602
Disposals	-	-	-	(17,095)	(382)	-	-	-	(17,477)
Translation differences	(71)	(20)	2	628	(44)	(361)	(236)	-	(102)
Balance at December 31, 2022	**86,936**	**31,185**	**350**	**-**	**3,878**	**26,324**	**18,639**	**-**	**167,312**
Net book value	**39,285**	**7,720**	**228**	**-**	**13,308**	**229,670**	**62,656**	**775,140**	**1,128,007**

CHF 1,000	Development costs	Software	Patents and other rights	Acquired brand	Acquired client relationships	Acquired technology	Goodwill	**Total 2023**
At cost								
Balance at January 1, 2023	126,221	38,905	578	17,186	255,994	81,295	775,140	1,295,319
Additions	-	-	1,313	-	-	-	-	1,313
Internally developed	12,327	3,183	-	-	-	-	-	15,510
Disposals	-	(50)	-	-	-	-	-	(50)
Translation differences	(1,021)	(133)	(33)	(1,521)	(22,569)	(6,805)	(65,190)	(97,272)
Balance at December 31, 2023	**137,527**	**41,905**	**1,858**	**15,665**	**233,425**	**74,490**	**709,950**	**1,214,820**
Accumulated amortization and impairment losses								
Balance at January 1, 2023	86,936	31,185	350	3,878	26,324	18,639	-	167,312
Annual amortization	10,426	1,692	28	1,569	11,746	6,198	-	31,659
Disposals	-	(50)	-	-	-	-	-	(50)
Translation differences	(298)	(64)	(15)	(427)	(2,825)	(1,689)	-	(5,318)
Balance at December 31, 2023	**97,064**	**32,763**	**363**	**5,020**	**35,245**	**23,148**	**-**	**193,603**
Net book value	**40,463**	**9,142**	**1,495**	**10,645**	**198,180**	**51,342**	**709,950**	**1,021,217**

The amortization charge is recognized in the following line items of the statement of profit or loss:

CHF 1,000	2022	**2023**
Cost of sales	2,849	-
Sales and marketing	14,101	13,315
Research and development	16,924	16,652
General and administration	1,728	1,692
Total amortization	**35,602**	**31,659**

21.2 IMPAIRMENT TESTS

For impairment testing, goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit from the synergies of the corresponding business combination. Subsequently, the recoverable amount of the cash-generating unit (higher of fair value less costs of disposal and value in use) is compared with its carrying amount. An impairment loss is only recognized if the carrying amount of the cash-generating unit exceeds its recoverable amount. Value in use is normally assumed to be higher than the fair value less costs of disposal; therefore, fair value less costs of disposal is only investigated when value in use is lower than the carrying amount of the cash-generating unit.

Value in use is calculated according to the discounted cash flow method. The cash flow projections are based on a five-year financial planning period. Cash flows beyond the five-year period are extrapolated applying the estimated long-term growth rates stated below. The expected growth in sales is based on external market studies and internal assessments prepared by management. Future cash flows are discounted using the weighted average cost of capital (WACC). The discount rates applied are pre-tax.

21.2.1 Financial year 2023

The Group performed impairment tests on cash-generating units containing goodwill in June 2023, using the following key assumptions:

Goodwill Cash-generating unit	Method	Carrying amount (CHF 1,000)	Test date	Basis for recoverable amount	Pre-tax discount rate	Projection period	Long-term growth rate
Goodwill Life Sciences Business Life Sciences Business	DCF-method	103,751	June 2023	Value in use	10.3%	5 years	1.9%
Goodwill Partnering Business Partnering Business	DCF-method	606,199	June 2023	Value in use	10.5%	5 years	1.9%

In addition, the Group prepared mandatory impairment tests for capitalized development costs relating to products that are not yet launched on the market on August 31, 2023.

Based on the impairment tests 2023, there was no need for the recognition of any impairment. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the cash-generating unit to materially exceed its recoverable amount.

21.2.2 Financial year 2022

The Group performed impairment tests on cash-generating units containing goodwill in June 2022, using the following key assumptions:

Goodwill Cash-generating unit	Method	Carrying amount (CHF 1,000)	Test date	Basis for recoverable amount	Pre-tax discount rate	Projection period	Long-term growth rate
Goodwill Life Sciences Business Life Sciences Business	DCF-method	110,908	June 2022	Value in use	9.5%	5 years	0.0%
Goodwill Partnering Business Partnering Business	DCF-method	664,232	June 2022	Value in use	9.4%	5 years	0.0%

In addition, the Group prepared mandatory impairment tests for capitalized development costs relating to products that are not yet launched on the market on August 31, 2022.

Based on the impairment tests 2022, there was no need for the recognition of any impairment.

22 FINANCIAL LIABILITIES

CHF 1,000	Short term credit facilities	Derivatives[1]	Bank loans	Bond	Leases	**Total 2022**
Balance at January 1, 2022	-	562	654	249,507	63,498	314,221
Cash flows						
Change	1	-	-	-	-	1
Interest payment	-	-	-	(125)	-	(125)
Payments to lessors (including interests)	-	-	-	-	(14,439)	(14,439)
Non-cash changes						
Change in fair value	-	(281)	-	-	-	(281)
Amortized cost	-	-	-	263	-	263
New leases and disposals	-	-	-	-	7,858	7,858
Accretion of interest	-	-	-	-	670	670
Translation differences	-	-	(31)	-	(173)	(204)
Balance at December 31, 2022	**1**	**281**	**623**	**249,645**	**57,414**	**307,964**
Thereof current	1	281	623	-	13,654	14,559
Thereof non-current	-	-	-	249,645	43,760	293,405
Analysis by currency						
Denominated in CHF						262,898
Denominated in EUR						10,364
Denominated in USD						29,162
Denominated in other currencies						5,540
Total						**307,964**
Analysis by interest rate						
Interest-free						420
Fixed interest rate						
0% – 2%						299,161
2% – 4%						8,034
4% – 6%						349
Total						**307,964**

[1] See note 28

CHF 1,000	Short term credit facilities	Derivatives[1]	Bank loans	Bond	Contingent liability	Leases	**Total 2023**
Balance at January 1, 2023	1	281	623	249,645	-	57,414	307,964
Cash flows							
Change	5	-	-	-	-	-	5
Interest payment	-	-	-	(125)	-	-	(125)
Repayment	-	-	(612)	-	-	-	(612)
Payments to lessors (including interests)	-	-	-	-	-	(14,563)	(14,563)
Non-cash changes							
Acquisition of rights (intangible asset)	-	-	-	-	613	-	613
Change in fair value	-	(281)	-	-	-	-	(281)
Amortized cost	-	-	-	264	-	-	264
New leases and disposals	-	-	-	-	-	26,694	26,694
Accretion of interest	-	-	-	-	-	671	671
Translation differences	-	-	(11)	-	-	(3,912)	(3,923)
Balance at December 31, 2023	**6**	**-**	**-**	**249,784**	**613**	**66,304**	**316,707**
Thereof current	6	-	-	-	613	12,234	12,853
Thereof non-current	-	-	-	249,784	-	54,070	303,854
Analysis by currency							
Denominated in CHF							259,345
Denominated in EUR							7,916
Denominated in USD							44,355
Denominated in other currencies							5,091
Total							**316,707**
Analysis by interest rate							
Interest-free							-
Fixed interest rate							
0% - 2%							275,980
2% - 4%							5,403
4% - 6%							35,324
Total							**316,707**

[1] See note 28

In 2023, the interest rate paid on the bond was 0.05% (2022: 0.05%).

23 CONTRACT LIABILITIES

CHF 1,000	31.12.2022 Current	31.12.2022 Non-current	**31.12.2023** Current	**31.12.2023** Non-current
Timing of revenue recognition: point in time				
Advances for products	47,353	7,640	29,042	5,404
Timing of revenue recognition: over time				
Advances for products	23,007	-	25,475	-
Service contracts, including service-type warranties	29,817	3,509	27,958	3,078
Total contract liabilities	**100,177**	**11,149**	**82,475**	**8,482**
Net increase/(decrease)		12,201		(13,538)
Translation differences		(2,078)		(6,831)
Total change (current and non-current) compared with previous year		**10,123**		**(20,369)**

24 GOVERNMENT GRANTS

CHF 1,000	2022	**2023**
Balance at January 1	22,391	30,381
Received	7,960	-
Reversed (included in other operating income)	-	(4,411)
Translation differences	30	(2,451)
Balance at December 31	**30,381**	**23,519**
Thereof current	4,170	5,534
Thereof non-current	26,211	17,985

In October 2020, the U.S. Department of Defense and the U.S. Department of Health and Human Services awarded a government grant of USD 32.9 million to launch new production capacities in the U.S. for pipette tips, which are key components for COVID-19 tests. The amount was fully paid to the Group at year-end 2022 (CHF 30.4 million).

The related production lines are reported in position property, plant and equipment and were ready for use since April 2023. Consequently, the Group has started to reverse the government grant in the consolidated statement of profit or loss in proportion to the depreciation amount.

25 PROVISIONS

CHF 1,000	Restructuring and dismantling	Onerous contracts	Warranties and returns	WEEE[1]	Legal cases	Other	Total 2022
Balance at January 1, 2022	84	2,447	24,098	1,483	6,243	10,917	45,272
Provisions recognized	-	300	15,562	65	50	1,576	17,553
Provisions used	-	-	(14,876)	(19)	-	(86)	(14,981)
Provisions reversed	-	(253)	(3,704)	(1)	(1,291)	(2,489)	(7,738)
Reclassification	-	-	-	-	-	-	-
Translation differences	(8)	5	9	(85)	4	(60)	(135)
Balance at December 31, 2022	**76**	**2,499**	**21,089**	**1,443**	**5,006**	**9,858**	**39,971**
Thereof current	-	2,499	21,089	-	5,006	2,855	31,449
Thereof non-current	76	-	-	1,443	-	7,003	8,522

[1] WEEE = waste electrical and electronic equipment (directive 2002/96/EC)

CHF 1,000	Restructuring and dismantling	Onerous contracts	Warranties and returns	WEEE[1]	Legal cases	Other	Total 2023
Balance at January 1, 2023	76	2,499	21,089	1,443	5,006	9,858	39,971
Provisions recognized	1,000	518	19,293	62	381	2,254	23,508
Provisions used	-	-	(17,958)	-	(2,448)	-	(20,406)
Provisions reversed	-	(2)	(2,998)	-	(2,197)	(979)	(6,176)
Reclassification	-	-	-	-	-	-	-
Translation differences	(3)	(2)	(821)	(84)	(108)	(255)	(1,273)
Balance at December 31, 2023	**1,073**	**3,013**	**18,605**	**1,421**	**634**	**10,878**	**35,624**
Thereof current	1,000	3,013	18,605	-	634	3,837	27,089
Thereof non-current	73	-	-	1,421	-	7,041	8,535

[1] WEEE = waste electrical and electronic equipment (directive 2002/96/EC)

The provision for legal cases (2023: CHF 0.6 million and 2022: CHF 5.0 million) relates to several legal cases with former customers and employees in different subsidiaries, for which the timing of settlement is uncertain at year-end.

The position 'other' includes: 1. provisions to cover commitments related to other non-current employee benefits (2023: CHF 7.3 million and 2022: CHF 7.2 million), 2. provisions in connections with controversial VAT and sales/use tax positions (2023: CHF 1.7 million and 2022: CHF 2.2 million) 3. several minor provisions (2023: CHF 1.9 million and 2022: CHF 0.5 million).

26 SHAREHOLDERS' EQUITY

26.1 SHARE CAPITAL AND CAPITAL RESERVE

Holders of ordinary shares are entitled to dividends and to one vote per share at the General Meetings of Shareholders. All payments of the shareholders in excess of the nominal value of the share (CHF 0.10 / share) are classified to capital reserve (share premium).

26.2 NATURE AND PURPOSE OF THE EQUITY RESERVES

26.2.1 Translation differences

The translation differences comprise all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currency into the reporting currency (CHF).

26.3 MOVEMENTS IN SHARES ISSUED AND OUTSTANDING

Shares (each share has a nominal value of CHF 0.10)	2022	**2023**
Balance at January 1	12,678,108	12,731,441
New shares issued based on employee participation plans (conditional share capital increase)	53,333	51,646
Balance at December 31	**12,731,441**	**12,783,087**

26.4 DIVIDENDS PAID

	2022	**2023**	2024 Proposed
Number of shares eligible for dividend	12,713,261	12,766,934	12,783,087
Dividends paid (CHF/share)	1.40	1.45	1.50
Payout from statutory capital contribution reserve (CHF/share)	1.40	1.45	1.50

26.5 CONDITIONAL SHARE CAPITAL RESERVED FOR THE EMPLOYEE PARTICIPATION PLANS

Shares (each share has a nominal value of CHF 0.10)	2022	**2023**
Balance at January 1	275,104	221,771
New shares issued based on employee participation plans	(53,333)	(51,646)
Balance at December 31	**221,771**	**170,125**
Maximum of employee share options and employee shares outstanding	135,305	133,922

26.6 CONDITIONAL AND AUTHORIZED SHARE CAPITAL FOR THE PURPOSE OF FUTURE BUSINESS DEVELOPMENT

	31.12.2022	**31.12.2023**
Conditional share capital		
Shares (with a nominal value of CHF 0.10 each)	1,800,000	1,800,000
CHF	180,000	180,000

26.7 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base to ensure investor, creditor and market confidence and to sustain future development of business. It is the Group's target to keep a minimum equity ratio of 30% (reported in 2023: 65.0% and 2022: 64.2%), which limits the level of borrowings. Changes to this target are subject to the Board of Directors' approval. In addition, all covenants relating to bank liabilities must be satisfied at any time.

The Board of Directors monitors both the earnings per share and the ability of the Group to undertake future business development. Amongst others it may initiate share buyback programs to rebalance the position of the Group in relation to these targets.

The level of dividend payments to shareholders shall be kept on a constant and ongoing level.

There were no changes in the Group's approach to capital management during the year.

27 FOREIGN EXCHANGE RATES

The following foreign exchange rates were used for the preparation of the consolidated financial statements:

		Closing exchange rates		Average exchange rates January to December	
CHF		31.12.2022	**31.12.2023**	2022	**2023**
EUR	1	0.99	0.93	1.00	0.97
GBP	1	1.12	1.07	1.18	1.12
SEK	100	8.88	8.34	9.46	8.47
USD	1	0.92	0.84	0.96	0.90
CNY	1	0.13	0.12	0.14	0.13
JPY	100	0.71	0.60	0.73	0.64
AUD	1	0.63	0.57	0.66	0.60

28 FINANCIAL RISK MANAGEMENT

28.1 INTRODUCTION

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk) and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors (Treasury Policy). Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments and investment of excess liquidity.

This note presents information about the Group's exposure to each of the risks arising from financial instruments and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

28.2 CLASSES OF FINANCIAL INSTRUMENTS

CHF 1,000	Cash and cash equivalents	Other current financial assets	Trade and other receivables	Non-current financial assets	**Total assets 2022**	Current financial liabilities	Trade and other payables/ accrued expenses	Non-current financial liabilities	**Total liabilities 2022**
Derivatives not designated as hedging instruments (FVTPL)									
Currency forwards	-	1,796	-	-	**1,796**	(281)	-	-	**(281)**
Financial instruments measured at fair value through OCI (FVOCI)									
Unquoted equity investment	-	-	-	4,225	**4,225**	-	-	-	**-**
Financial instruments measured at amortized costs									
Cash and cash equivalents	111,441	-	-	-	**111,441**	-	-	-	**-**
Time deposits	-	180,000	-	-	**180,000**	-	-	-	**-**
Receivables	-	-	157,448	-	**157,448**	-	-	-	**-**
Rent and other deposits	-	-	1,022	1,374	**2,396**	-	-	-	**-**
Current bank liabilities	-	-	-	-	**-**	(1)	-	-	**(1)**
Payables and accrued expenses	-	-	-	-	**-**	-	(145,441)	-	**(145,441)**
Bank loans	-	-	-	-	**-**	(623)	-	-	**(623)**
Bond	-	-	-	-	**-**	-	-	(249,645)	**(249,645)**
Other									
Lease liabilities	-	-	-	-	**-**	(13,654)	-	(43,760)	**(57,414)**
Total financial instruments	**111,441**	**181,796**	**158,470**	**5,599**	**457,306**	**(14,559)**	**(145,441)**	**(293,405)**	**(453,405)**
Reconciling items[1]	-	-	10,546	-	**10,546**	-	(14,917)	-	**(14,917)**
Balance at December 31, 2022	**111,441**	**181,796**	**169,016**	**5,599**	**467,852**	**(14,559)**	**(160,358)**	**(293,405)**	**(468,322)**

[1] Receivables/payables arising from VAT/other non-income taxes and social security .

CHF 1,000	Cash and cash equivalents	Other current financial assets	Trade and other receivables	Non-current financial assets	**Total assets 2023**	Current financial liabilities	Trade and other payables/ accrued expenses	Non-current financial liabilities	**Total liabilities 2023**
Derivatives not designated as hedging instruments (FVTPL)									
Currency forwards	-	3,845	-	-	**3,845**	-	-	-	**-**
Financial instruments measured at fair value through profit or loss (FVTPL)									
Convertible bonds	-	3,458	-	-	**3,458**	-	-	-	**-**
Contingent consideration	-	-	-	-	**-**	(613)	-	-	**(613)**
Financial instruments measured at fair value through OCI (FVOCI)									
Unquoted equity investment	-	-	-	3,901	**3,901**	-	-	-	-
Financial instruments measured at amortized costs									
Cash and cash equivalents	132,965	-	-	-	**132,965**	-	-	-	**-**
Time deposits	-	230,000	-	-	**230,000**				**-**
Receivables	-	-	159,464	-	**159,464**	-	-	-	**-**
Rent and other deposits	-	-	960	1,349	**2,309**	-	-	-	**-**
Current bank liabilities	-	-	-	-	**-**	(6)	-	-	**(6)**
Payables and accrued expenses	-	-	-	-	**-**	-	(121,597)	-	**(121,597)**
Bond	-	-	-	-	**-**	-	-	(249,784)	**(249,784)**
Other									
Lease liabilities	-	-	-	-	**-**	(12,234)	-	(54,070)	**(66,304)**
Total financial instruments	**132,965**	**237,303**	**160,424**	**5,250**	**535,942**	**(12,853)**	**(121,597)**	**(303,854)**	**(438,304)**
Reconciling items[1]	-	-	11,269	-	**11,269**	-	(25,441)	-	**(25,441)**
Balance at December 31, 2023	**132,965**	**237,303**	**171,693**	**5,250**	**547,211**	**(12,853)**	**(147,038)**	**(303,854)**	**(463,745)**

[1] Receivables/payables arising from VAT/other non-income taxes and social security .

28.3 CREDIT RISKS

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, derivatives and trade accounts receivable.

All domestic and international bank relationships are selected by the CFO and Group Treasury. Only banks and financial institutions that are ranked in the top class of the respective country are accepted.

The credit risk with trade accounts receivable (see note 16) is diversified, as the Group has numerous clients located in various geographical regions. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are grouped as follows (risk groups): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. There are no commitments that could increase this exposure to more than the carrying amounts.

28.4 MARKET RISKS

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

28.4.1 Interest rate risks

At the reporting date the Group had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, bond and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings only bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Group to cash flow interest rate risk. For the interest rate profile of the Group's interest-bearing financial liabilities refer to note 22.

The Group does not account for any fixed rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Group Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Group Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently the interest rate exposure is not hedged.

On December 31, 2023, if interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been CHF 0.5 million (2022: CHF 0.3 million) higher/lower, mainly as a result of cash positions held at variable rates.

28.4.2 Foreign currency risks

The Group incurs foreign currency risks on sales, purchases and borrowings denominated in a currency other than the functional currency of the respective Group companies. On a consolidated basis, the Group is also exposed to currency fluctuations between the Swiss franc (CHF) and the functional currencies of its Group companies. The two major currencies giving rise to currency risks are the Euro (EUR) and the US dollar (USD).

The Group centralizes its foreign currency exposure in a few locations. The hedging policy of the Group aims to limit the foreign currency risk to a certain percentage of the operating activities (forecast sales and purchases). The Group uses forward exchange contracts to hedge its foreign currency exposure in relation to these future cash flows in foreign currencies. These contracts have terms of up to 18 months.

The Group does not hedge its net investment in foreign entities and the related foreign currency translation of local earnings.

The Group's exposure to foreign currency risk arising on financial instruments denominated in a currency different from the functional currency of the entity holding the instruments is as follows:

	31.12.2022				**31.12.2023**			
CHF 1,000	CHF	EUR	USD	Other	CHF	EUR	USD	Other
Derivatives	-	-	1,569	(54)	-	-	3,788	57
Cash and cash equivalents	149	23,245	1,908	2,295	362	29,601	7,418	6,124
Receivables	(153)	4,615	2,160	2,280	-	3,420	2,651	141
Rent and other deposits	-	151	-	98	-	151	-	-
Current financial liabilities	-	-	-	-	-	-	(613)	-
Payables and accrued expenses	(9)	(4,596)	(1,228)	(3,708)	(20)	(4,992)	(2,493)	(4,181)
Non-current financial liabilities	-	-	-	(35)	-	-	-	-
Total net exposure to currency	**(13)**	**23,415**	**4,409**	**876**	**342**	**28,180**	**10,751**	**2,141**

On December 31, if the CHF had moved against the USD and EUR with all other variables held constant, post-tax profit for the year would have been (sensitivity analysis based on the net exposure to currency/table above):

CHF 1,000	31.12.2022 higher/(lower)	31.12.2023 higher/(lower)
If CHF had weakened against EUR by 10%	1,888	2,589
If CHF had strengthened against EUR by 10%	(1,888)	(2,589)
If CHF had weakened against USD by 10%[1]	(8,180)	(8,091)
If CHF had strengthened against USD by 10%[1]	8,180	8,091

[1] Impact on post-tax profit primarily relate to CHF/USD forwards.

The derivative financial instruments used as economic hedges of foreign currencies are summarized in the table below:

CHF 1,000	Fair value Positive	Fair value Negative	Contract value Total	Due within 1 and 90 days	Due within 91 and 360 days	Due within 1 and 2 years
Foreign currency forwards						
Sell USD	1,796	(223)	105,947	49,368	56,579	-
Buy USD	-	(3)	(6,287)	(6,287)	-	-
Sell SEK	-	(1)	648	648	-	-
Sell JPY	-	(7)	3,111	3,111	-	-
Sell AUD	-	(47)	2,398	2,398	-	-
Balance at December 31, 2022	**1,796**	**(281)**	**105,817**	**49,238**	**56,579**	**-**

CHF 1,000	Fair value Positive	Fair value Negative	Contract value Total	Due within 1 and 90 days	Due within 91 and 360 days	Due within 1 and 2 years
Foreign currency forwards						
Sell USD	3,788	-	90,871	22,718	68,153	-
Sell GBP	14	-	558	558	-	-
Sell DKK	16	-	847	847	-	-
Sell JPY	20	-	2,092	2,092	-	-
Sell AUD	7	-	488	488	-	-
Balance at December 31, 2023	**3,845**	**-**	**94,856**	**26,703**	**68,153**	**-**

28.5 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Group Treasury manages the Group's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Group's reputation.

It is the Group's target to have a cash reserve or committed credit lines in the amount of 10% of its annual sales budget centralized at Tecan Group Ltd. and Tecan Trading AG. Changes to this target are subject to the Board of Directors' approval. All cash in Tecan Group Ltd. and Tecan Trading AG, which does not count against such a cash reserve, is considered as excess liquidity. Excess liquidity can be invested in instruments such as time deposits, government and corporate bonds, shares of publicly listed companies and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

CHF 1,000	**Carrying amount**	**Contractual cash flows**	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Derivative financial liabilities						
Foreign currency forwards	**281**					
Outflow		18,744	18,744	-	-	-
Inflow		(18,339)	(18,339)	-	-	-
Non-derivative financial liabilities						
Current bank liabilities	1	1	1	-	-	-
Payables and accrued expenses[1]	145,441	145,441	97,068	48,373	-	-
Bank loans	623	627	-	627	-	-
Bond	249,645	250,375	-	125	125	250,125
Lease liabilities	57,414	59,188	3,645	10,617	12,264	32,662
Balance at December 31, 2022	**453,405**	**456,037**	**101,119**	**59,742**	**12,389**	**282,787**

[1] Excluding reconciling items (see note 28.2)

CHF 1,000	**Carrying amount**	**Contractual cash flows**	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Derivative financial liabilities						
Foreign currency forwards	**n/a**					
Non-derivative financial liabilities						
Current bank liabilities	6	6	6	-	-	-
Contingent payment	613	613	-	613	-	-
Payables and accrued expenses[1]	121,597	121,597	90,370	31,227	-	-
Bond	249,784	250,250	-	125	250,125	-
Lease liabilities	66,304	82,869	3,720	10,601	10,867	57,681
Balance at December 31, 2023	**438,304**	**455,336**	**94,096**	**42,566**	**260,992**	**57,681**

[1] Excluding reconciling items (see note 28.2)

Unused lines of credit amounting to CHF 40.0 million (2022: CHF 40.0 million) are available to the Group on December 31, 2023. In addition, the Group has uncommitted lines of credit amounting to CHF 390.0 million (2022: CHF 390.0 million) to finance potential future business combinations.

29 FAIR VALUE MEASUREMENT AND DISCLOSURES

29.1 FAIR VALUE HIERARCHY

To increase consistency and comparability in fair value measurements and related disclosures, IFRS 13 established a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure their value.

Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date.
Level 2 inputs: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs: Unobservable inputs for the asset or liability.

29.2 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS AFTER INITIAL RECOGNITION

The following table shows the valuation techniques used in the determination of fair values for assets and liabilities measured at fair value on a recurring basis after initial recognition:

Position	Net carrying amount in balance sheet measured at fair value (CHF 1,000)		Level	Data source	Model	Change in fair value recognized in position
	31.12.2022	**31.12.2023**				
Currency forwards	1,515	3,845	Level 2	Financial data supplier	(Forward rate - [spot rate +/- SWAP points]) * amount in foreign currency	Financial result (FVTPL)
Convertible bonds	-	3,458	Level 3	n/a	Value of the straight bond plus value of conversion option	Financial result (FVTPL)
Unquoted equity investment	4,225	3,901	Level 3	n/a	Market sales multiples	Other comprehensive income (FVOCI)

Instruments with level 3 inputs – details:

CHF 1,000	Convertible bonds	Unquoted equity investment
Balance at January 1, 2023	-	4,225
Acquisition	3,691	-
Change in fair value	-	(68)
Translation differences	(233)	(256)
Balance at December 31, 2023	**3,458**	**3,901**

Convertible bonds – The convertible bonds were acquired short before year-end 2023. The fair value depends to a large extent on the variable conversion ratio and the underlying share of the issuer.

Unquoted equity investment – End of 2020, the Group acquired an unquoted equity instrument for CHF 4.3 million. Total changes in fair value recognized during the period in other comprehensive income amount to CHF 0.1 million. A decrease in the forecasted sales of 10% would adversely impact the fair value by estimated CHF 0.4 million.

29.3 FAIR VALUE DISCLOSURES FOR FINANCIAL INSTRUMENTS MEASURED AT AMORTIZED COST

The carrying amount of financial instruments measured at amortized costs (see note 28.2) is a reasonable approximation of their fair value due to their short-term nature. Bank loans and the bond are the only exception due to their long-term nature. Their fair values are disclosed in the following table.

Position	Net carrying amount in balance sheet measured at amortized cost (CHF 1'000)		Fair value disclosure (CHF 1,000)		Level	Data source	Model
	31.12.2022	**31.12.2023**	31.12.2022	**31.12.2023**			
Bank loans	(623)	-	(607)	-	Level 2	Financial data supplier	The fair value is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
Bond	(249,645)	(249,784)	(237,000)	(243,000)	Level 1	Financial data supplier	Market value available at SIX (security symbol TEC21)

30 CONTINGENT LIABILITIES, ENCUMBRANCE OF ASSETS AND OTHER COMMITMENTS

At December 31, 2022 and 2023, the Group had no significant contingent liabilities to third parties, and none of the Group's assets were pledged, assigned or subject to retention of title.

Purchase commitments - In the ordinary course of business, the Group regularly enters relationships with suppliers whereby the Group commits itself to purchase certain minimum quantities of raw materials for the manufacturing of its products to benefit from better pricing conditions and a stable supply. Such commitments reflect normal business operations, are in line with the Group's manufacturing plans and product life cycles and do not exceed current market prices. The Group recognizes a provision for onerous contracts if and to the extent such commitments exceed the Group's expected purchase quantities. On December 31, 2023, the purchase commitments amounted to CHF 177.8 million (2022: CHF 219.5 million).

31 RELATED PARTIES

The Group has a related party relationship with key management personnel (members of the Board of Directors and the Management Board).

The total compensation paid to the key management personnel was:

CHF 1,000	2022	**2023**
Short-term employee benefits	7,395	6,676
Post-employment benefits	567	590
Share-based payment[1]	9,978	10,637
Total compensation	**17,940**	**17,903**

[1] See note 12.4 for more details

For further details concerning compensation, please refer to the compensation report. The information reported in this note and the information provided in other parts of the annual report may differ due to different recognition and valuation principles.

32 SUBSEQUENT EVENTS

There were no events after the balance sheet date which would require adjustments to or disclosures in these consolidated financial statements.

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To the General Meeting of
Tecan Group Ltd., Männedorf

Zurich, 7 March 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Tecan Group Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of other 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 consolidated financial statements (pages 128 to 178) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

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

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

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

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements (pages 128 to 178).

Revenue recognition

Area of focus	The Group's revenues amounted to CHF 1'074 million for the year ended 31 December 2023. For goods sold and services rendered, sales are recorded at the time when the customer receives control of the goods or services transferred. Revenue recognition from products with material application and installation work requires a written acceptance by the customer. Revenue from service contracts is recognized pro-rata based on the full contract period. Refer to note 2.7.1 (Accounting and valuation principles: Revenue recognition, contract assets and liabilities) in the consolidated financial statements for further details. Revenue recognition is significant to our audit as the Group generates revenues from different streams (goods sold and services rendered) and due to the risks that transactions may be recorded in the incorrect period.
Our audit response	Our audit procedures included assessing the application of the Group's revenue recognition policies. We tested a sample of transactions near the year-end and agreed the details of these transactions to underlying documentation, such as the contractual terms, to ensure that revenue has been recognized in the appropriate period and in the appropriate amount. For sales transactions where material application and installation work were required, we evaluated whether written customer acceptance had been received before revenue was recognized. Our audit procedures did not lead to any reservations regarding the recognition and measurement of revenue.

Carrying value of goodwill

Area of focus	As at 31 December 2023, the Group reported CHF 709.9 million in goodwill (representing 34.2 % of the Group's total assets and 52.6 % of the Group's total equity). For purposes of the annual impairment test, goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit from the synergies of the corresponding business combination. The recoverable amount (higher of fair value less costs of disposal and value in use) of the cash-generating unit is compared to its carrying amount. An impairment loss is recognized if the carrying amount of the cash-generating unit exceeds its recoverable amount. Refer to notes 2.7.14 (Impairment) and 21 (Intangible assets and goodwill) in the consolidated financial statements for further details.

Due to the significance of the carrying value of goodwill and the complexity and judgment involved in performing the impairment test this matter was considered significant to our audit.

Our audit response

Our audit procedures included understanding the Group's goodwill impairment testing process and the determination of key assumptions. We evaluated the Group's impairment testing model and key assumptions involving valuation specialists. We further corroborated the Company's key assumptions applied based on internally and externally available evidence and underlying data, including the evaluation of the underlying cash flow projections.

Our audit procedures did not lead to any reservations regarding the carrying value of goodwill.

Income taxes – Accounting for uncertain tax positions

Area of focus

The Group operates in multiple tax jurisdictions that are regulated by various tax laws and is subject to periodic tax audits by local tax authorities. The Group is required to use significant judgment in estimating the appropriate amount to record in respect to uncertain income tax positions. Refer to note 2.2.3 (Critical accounting estimates and judgments: Income taxes) in the consolidated financial statements for further details.

The accounting for uncertain income tax positions is significant to our audit due to the complexity and judgment involved in the Group's identification and determination of uncertain income tax positions.

Our audit response

Our audit procedures included evaluating the Group's judgments used in the determination of uncertain income tax positions, involving local and group tax specialists. Our procedures focused on considering the status of past and current tax audits in relevant jurisdictions, analyzing the Group's correspondence with the relevant tax authorities and corroborating the assumptions utilized with supporting evidence.

Our audit procedures did not lead to any reservations relating to the valuation of uncertain income tax positions.

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

Building a better working world

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.

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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
Licensed audit expert
(Auditor in charge)

Pascal Solèr
Licensed audit expert

BALANCE SHEET OF TECAN GROUP LTD.

ASSETS

CHF 1,000	Notes	31.12.2022	31.12.2023
Cash and cash equivalents		23,652	4,009
Time deposits		130,000	-
Other accounts receivable from third parties		383	488
Other accounts receivable from subsidiaries		2,040	266
Current assets		**156,075**	**4,763**
Investments in subsidiaries	3	361,143	361,213
Non-current loans to subsidiaries		756,720	756,720
Property, plant and equipment		1	-
Non-current assets		**1,117,864**	**1,117,933**
Assets		**1,273,939**	**1,122,696**

LIABILITIES AND EQUITY

CHF 1,000	Notes	31.12.2022	31.12.2023
Current loans from subsidiaries		297,925	139,125
Other accounts payable to third parties		45	192
Other accounts payable to subsidiaries		49	18
Income tax payables		-	838
Accrued expenses		764	615
Current liabilities		**298,783**	**140,788**
Bond	4	250,000	250,000
Provision for general business risks	5	30,000	30,000
Other non-current provisions		116	97
Non-current liabilities		**280,116**	**280,097**
Total liabilities		**578,899**	**420,885**
Share capital		1,273	1,278
Legal capital reserve (capital contribution reserve)		454,910	455,017
General legal retained earnings		1,000	1,000
Voluntary retained earnings		237,857	244,516
Shareholders' equity	6	**695,040**	**701,811**
Liabilities and equity		**1,273,939**	**1,122,696**

INCOME STATEMENT OF TECAN GROUP LTD.

CHF 1,000	2022	2023
Dividend income from subsidiaries	28,061	21,107
Interest income from third parties	281	627
Interest income from subsidiaries	2,238	11,422
Operating income	**30,580**	**33,156**
Personnel expenses	(1,167)	(1,356)
Other operating expenses	(1,622)	(1,312)
Depreciation of property, plant and equipment	(1)	-
Interest expense bond	(125)	(125)
Other financial expenses to third parties	(328)	(2)
Other financial expenses to subsidiaries	(368)	(4,217)
Foreign exchange losses, net	(51)	(125)
Operating expenses	**(3,662)**	**(7,137)**
Profit before taxes	**26,918**	**26,019**
Income taxes	-	(848)
Profit for the period	**26,918**	**25,171**

NOTES TO THE FINANCIAL STATEMENTS OF TECAN GROUP LTD.

1 REPORTING ENTITY

Tecan Group Ltd. is a limited company incorporated in Switzerland, whose shares are publicly traded. Tecan Group Ltd.'s registered office is located at Seestrasse 103, 8708 Männedorf, Switzerland.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of Tecan Group Ltd. (the 'Company') have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (32nd title) introduced on January 1, 2013. They are a supplement to the consolidated financial statements prepared in accordance with IFRS Accounting Standards. While the consolidated financial statements reflect the economic situation of the Group as a whole, the information reported in the Company's financial statements relates to the ultimate parent company alone. The retained earnings disclosed in these financial statements provide the basis for the decision regarding the distribution of earnings to be made during the Annual General Meeting of Shareholders.

Subsidiaries include all legal entities which are directly or indirectly owned and controlled by the Company.

As consolidated financial statements are provided, the Company is exempt from the disclosure of a management report, a cash flow statement and extended information in the notes.

2.2 ACCOUNTING AND VALUATION PRINCIPLES

2.2.1 Loans

Loans are valued at historical costs adjusted for foreign currency translation differences and less any impairment of value.

2.2.2 Investments in subsidiaries

Investments are valued at historical costs less any impairment of value, applying the single-asset-valuation principle.

2.2.3 Bonds

Bonds are valued at nominal value. All transactions costs less the bond premium are recognized immediately in the income statement.

2.2.4 Provisions

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

3 INVESTMENTS IN SUBSIDIARIES

3.1 OVERVIEW (DIRECT AND INDIRECT INVESTMENTS)

The investments in directly and indirectly held subsidiaries are the same for the years ended December 31, 2022 and December 31, 2023, except as noted below in note 3.2.

Company	Registered office	Participation in % (capital and votes)	Currency	Share capital (LC 1,000)	Activities
Tecan Schweiz AG	Männedorf/Zurich (CH)	100%	CHF	5,000	R/P/D
Tecan Trading AG	Männedorf/Zurich (CH)	100%	CHF	300	S/D
Tecan Sales Switzerland AG	Männedorf/Zurich (CH)	100%	CHF	250	D
Tecan Austria GmbH	Grödig/Salzburg (AT)	100%	EUR	1,460	R
Tecan Sales Austria GmbH	Grödig/Salzburg (AT)	100%	EUR	35	D
Tecan Sales International GmbH	Grödig/Salzburg (AT)	100%	EUR	35	D
Tecan Landesholding GmbH	Crailsheim/Stuttgart (DE)	100%	EUR	25	S
• Tecan Deutschland GmbH	Crailsheim/Stuttgart (DE)	100%	EUR	51	D
• Tecan Software Competence Center GmbH	Mainz-Kastel (DE)	100%	EUR	103	R
• IBL International GmbH	Hamburg (DE)	100%	EUR	25	R/P/D
Tecan Benelux B.V.	Mechelen (BE)	100%	EUR	37	D
Tecan France S.A.S.	Lyon (FR)	100%	EUR	2,760	D
Tecan Iberica Instrumentacion S.L.	Barcelona (ES)	100%	EUR	30	D
Tecan Italia S.r.l.	Milano (IT)	100%	EUR	77	D
Tecan UK Ltd.	Reading (GB)	100%	GBP	500	D
Tecan Nordic AB	Stockholm (SE)	100%	SEK	100	D
Tecan US Group, Inc.	Morrisville, NC (US)	100%	USD	1,500	S
• Tecan US, Inc.	Morrisville, NC (US)	100%	USD	400	D
• Tecan Systems, Inc.	San Jose, CA (US)	100%	USD	26	R/P
• Tecan SP, Inc.	Baldwin Park/Los Angeles, CA (US)	100%	USD	472	R/P/D
• Tecan Genomics, Inc.	Redwood City, CA (US)	100%	USD	0	R/P/D
• DCPM, Inc.	Morgan Hill, CA (US)	100%	USD	58	P/D
• Paramit Corp.	Morgan Hill, CA (US)	100%	USD	0	P/D
– Emphysys, Inc.	Boston, MA (US)	100%	USD	0	R/D
– Paramit Malysia Sdn. Bhd.	Penang (MY)	100%	USD	5,178	P/D
Tecan Asia (Pte.) Ltd.	Singapore (SG)	100%	SGD	800	S
Tecan (Shanghai) Laboratory Equipment Co., Ltd.	Shanghai (CN)	100%	CNY	3,417	D
PMAS Co., Ltd	Ben Cat Town, Binh Duong Province (VN)	100%	VND	10,367,000	P
Tecan Korea Ltd.	Seoul (KR)	100%	KRW	100,000	D
Tecan Japan Co., Ltd.	Kawasaki (JP)	100%	JPY	125,000	D
Tecan Australia Pty Ltd	Melbourne (AU)	100%	AUD	0	D

S = services, holding functions, R = research and development, P = production, D = distribution

3.2 CHANGE IN INVESTMENTS IN SUBSIDIARIES

In 2023, the company founded a new sales company in Korea.

4 BOND

At year-end 2023, the Company has the following bond outstanding:

Company	Security symbol	Currency	Nominal value (1,000)	Interest rate	Maturity
Fixed-rate bond	TEC21	CHF	250,000	0,05%	October 6, 2025

5 PROVISION FOR GENERAL BUSINESS RISKS

The provision for general business risks relates to investments in subsidiaries.

6 SHAREHOLDERS' EQUITY

6.1 CHANGES IN SHAREHOLDERS' EQUITY

CHF 1,000	Share capital	Legal capital reserve (capital contribution reserve)	General legal retained earnings	Voluntary retained earnings	Total shareholders' equity
Balance at January 1, 2022	**1,268**	**455,865**	**1,000**	**228,738**	**686,871**
Net profit	-	-	-	26,918	26,918
Dividend paid	-	(17,798)	-	(17,799)	(35,597)
New shares issued based on employee participation plans (conditional share capital increase)	5	16,843	-	-	16,848
Balance at December 31, 2022	**1,273**	**454,910**	**1,000**	**237,857**	**695,040**
Net profit	-	-	-	25,171	25,171
Dividend paid	-	(18,512)	-	(18,512)	(37,024)
New shares issued based on employee participation plans (conditional share capital increase)	5	18,619	-	-	18,624
Balance at December 31, 2023	**1,278**	**455,017**	**1,000**	**244,516**	**701,811**

The Company's share capital is CHF 1'278'308.70, consisting of 12'783'087 registered shares with a nominal value of CHF 0.10 each (2022: share capital of CHF 1'273'144.10 consisting of 12'731'441 registered shares with a nominal value of CHF 0.10 each).

The amount of the legal capital reserve (capital contribution reserve) is subject to review and confirmation by the Swiss federal tax authorities.

6.2 CONDITIONAL AND AUTHORIZED SHARE CAPITAL

	31.12.2022	**31.12.2023**
Reserved for employee participation plans		
Shares (with a nominal value of CHF 0.10 each)	221,771	170,125
CHF	22,177	17,013
Maximum of employee share options and employee shares outstanding	135,305	133,922
Reserved for future business development		
Shares (with a nominal value of CHF 0.10 each)	1,800,000	1,800,000
CHF	180,000	180,000

In 1997, a conditional share capital of CHF 130'000 reserved for employee participation plans was approved. The conditional share capital consisted of 1'300'000 registered shares with a nominal value of CHF 0.10 each. Since 1999, several employee participation plans have been introduced based on this conditional share capital. Between February 2011 and June 2015, the employee participation plans were funded with treasury shares. In 2023 a total of 9'488 options (share option plans) were exercised and 42'158 shares transferred (share plans), increasing the Company's share capital by CHF 5'164.60 and decreasing the Company's conditional share capital by 51'646 shares (2022: a total of 7'592 options were exercised and 45'741 shares transferred, increasing the share capital by CHF 5'333.30 and decreasing the conditional share capital by 53'333 shares).

On April 26, 2006, the Annual General Meeting of Shareholders approved the creation of additional conditional share capital for the purpose of future business development.

7 NUMBER OF EMPLOYEES

FTE (full-time equivalent)	31.12.2022	**31.12.2023**
Employees – average	1.0	1.0

8 NUMBER OF SHARES AND SHARE OPTIONS

During the year the following number and value of shares were granted:

	2022		**2023**	
	Number	Value (CHF 1,000)	Number	Value (CHF 1,000)
Board of Directors				
Shares	972	334	937	376
Employees				
Shares	1,344	488	1,327	510
Total	**2,316**	**822**	**2,264**	**886**

The numbers and values disclosed include the maximum amount of matching shares granted. The final amount of matching shares that will vest is not only subject to a service period of three years, but also to the achievement of specific performance targets on the Group level.

9 GUARANTEES IN FAVOR OF THIRD PARTIES

The total amount of guarantees in favor of its subsidiaries was CHF 94.5 million on December 31, 2023 (December 31, 2022: CHF 97.2 million). In addition, the Company is member of the VAT-group of Tecan Schweiz AG.

10 LIABILITIES FROM LEASE ARRANGEMENTS NOT INCLUDED IN THE BALANCE SHEET

The future minimum lease payments under non-cancellable leases are:

CHF 1,000	31.12.2022	**31.12.2023**
Liabilities from lease arrangements	6	5

11 SUBSEQUENT EVENTS

There were no events subsequent to the balance sheet date which would require adjustments to or disclosures in these financial statements.

12 SIGNIFICANT SHAREHOLDERS (INFORMATION ACCORDING TO ARTICLE 663C OF THE SWISS CODE OF OBLIGATIONS)

According to the information available to the Board of Directors, the following shareholders have reached or exceeded 5% of the share capital of Tecan Group Ltd:[1]

	31.12.2022	**31.12.2023**
The Bank of New York Mellon SA/NV (BE)[2]	9.6%	9.5%
Chase Nominees Ltd., London (GB)[2]	6.4%	<5.0%
Nortrust Nominees Ltd., London (GB)[2]	5.6%	<5.0%

[1] Percentages are based on the actual share capital at the end of the reporting period.

[2] Nominee status - voting rights limited to 2% in accordance with article 5 of the articles of incorporation.

13 GROUP RISK MANAGEMENT

13.1 INTRODUCTION

Group risk management is a systematic assessment that addresses all kind of risks posing a potential threat to the business activities of the Group. It is the umbrella process for all other risk management activities throughout the Group. The risk assessment process is coordinated by the CFO; however, the ultimate responsibility is with the Board of Directors.

13.2 RISK ASSESSMENT CYCLE

13.2.1 Initiation of risk assessment

The Group risk assessment cycle takes place every two years unless otherwise mandated by the Board of Directors or by a triggering event. A review during the intermediate year assesses the need for action.

In a first step, the Board of Directors determines the risk acceptance and appoints the risk assessment team. The risk acceptance defines which combinations of risk characteristics (probability and severity of damage) are acceptable and which are not acceptable for the Group. This definition is the basis for the risk classification (see below). The risk assessment team includes representatives from various functions and disciplines such as Finance, Quality & Regulatory, Advisory & Support, Operations and Internal Audit.

The risk assessment team follows the process that is presented below:

RISK MANAGEMENT

Risk Awareness			
Risk Assessment			
Risk Identification	Risk Estimation	Risk Evaluation	Risk Reduction
Risk Control			

13.2.2 Risk identification

The risk assessment team conducts periodic workshops to identify potential risks in the following categories:

- Hazard risk
- Financial risk
- Operational risk
- Strategic risk

Furthermore, the risk assessment team considers the results of all other risk management activities within the Group:

- Product-related risk management
- IT risk management
- Business risk management for significant business units and market units
- Strategy
- Mid-term plan
- Budget

13.2.3 Risk estimation and evaluation

Each of the identified risks is estimated and evaluated and finally classified to the following risk categories:

- *Acceptable risk:* No further risk mitigation actions required.
- *Elevated risk:* Further risk mitigation actions recommended. Requires justification and approval by the CFO if no further measures are taken.
- *Unacceptable risk:* Further risk mitigation actions are strongly recommended. Requires justification and approval by the Board of Directors if no further measures are taken.

13.2.4 Risk reduction, risk report and approval

Risk reduction measures must be investigated and implemented for risks that are elevated or unacceptable, unless the risks are explicitly accepted by the risk assessment team.

As a result, the risk assessment team prepares a risk summary report containing all significant risks and measures taken. The final status of the risk assessment is reported to the Executive Management. The Board of Directors finalizes the risk assessment cycle with its approval. Risks remaining unacceptable must each be approved individually.

13.2.5 Risk control

Risk management is a dynamic process and forms a part of all planning and other activities of the Group. Within the process of ongoing risk control, members of the risk assessment team continuously collect information about risk factors and risk-related information. If any new potential elevated or unacceptable risk arises, it is brought immediately to the attention of the CFO.

APPROPRIATION OF AVAILABLE EARNINGS

The Board of Directors proposes to the Annual General Meeting of Shareholders on April 18, 2024, to allocate the voluntary retained earnings as follows:

CHF 1,000	31.12.2022 Approved	**31.12.2023** Proposed
Carried forward from previous year	210,939	219,345
Net profit	26,918	25,171
Available retained earnings	**237,857**	**244,516**
Dividend paid as approved by the annual general meeting of shareholders on April 18, 2023: CHF 1.45 per share with a nominal value of CHF 0.10 each (total 12,766,934 shares eligible for dividend)	(18,512)	
Dividend proposed: CHF 1.50 per share with a nominal value of CHF 0.10 each (total 12,783,087shares eligible for dividend)[1]		(19,175)
Balance to be carried forward	**219,345**	**225,341**

The Board of Directors also proposes to the Annual General Meeting of Shareholders to allocate the capital contribution reserve as follows:

CHF 1,000	31.12.2022 Approved	**31.12.2023** Proposed
Carried forward from previous year	438,067	436,398
Conditional share capital increase	16,843	18,619
Available capital contribution reserve	**454,910**	**455,017**
Payout as approved by the annual general meeting of shareholders on April 18, 2023: CHF 1.45 per share with a nominal value of CHF 0.10 each (total 12'766'934 shares eligible for payout)	(18,512)	
Payout (exempt form Swiss withholding tax) proposed: CHF 1.50 per share with a nominal value of CHF 0.10 each (total 12,783,087 shares eligible for payout)[1]		(19,175)
Balance to be carried forward	**436,398**	**435,842**

[1] These numbers are based on the outstanding share capital on December 31, 2023. The number of shares eligible for dividend and payout may change due to the repurchase or sale of treasury shares and the issuance of up to 57'600 new shares from the conditional share capital reserved for employee participation plans.

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To the General Meeting of
Tecan Group Ltd., Männedorf

Zurich, 7 March 2024

Report of the statutory auditor

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tecan Group Ltd. (the Company), which comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 184 to 191) 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 the financial statements (pages 184 to 191).

Building a better working world

Carrying value of investments in subsidiaries

Area of focus	As of 31 December 2023, investments in subsidiaries of the Company amounted to CHF 361.2 million and represent 32.2 % of total assets. Investments in subsidiaries are valued at historical cost less any impairment of value. The Company values investments in subsidiaries individually (single-asset-valuation principle). Refer to note 2.2.2 (Investments in subsidiaries) in the financial statements for further details. Investments in subsidiaries are significant to our audit due to the judgment and estimates involved in the Company's impairment test.
Our audit response	Our audit procedures included understanding the Company's impairment testing process and the determination of key assumptions. We evaluated the Company's impairment testing model and key assumptions. We further corroborated the Company's key assumptions applied based on internally and externally available evidence and underlying data. Our audit procedures did not lead to any reservations relating to the valuation of investments in subsidiaries.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the 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.

Building a better working world

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.

Furthermore, we confirm that the proposed appropriation of available earnings and the proposed repayment of legal capital reserve comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Martin Mattes Licensed audit expert (Auditor in charge)	Pascal Solèr Licensed audit expert

PERFORMANCE OF THE TECAN SHARE IN 2023

After accelerating inflation and rising interest rates sent stocks into a bear market in 2022, the stock market recovered again in 2023. The year's positive share price performance was primarily driven by price gains at the end of the year, with Fed Chairman Jerome Powell signaling that the cycle of interest rate hikes was over and that interest rate cuts were on the cards for 2024.

Overall, the financial year 2023 generated mostly positive headlines. The MSCI World Index in CHF achieved a performance of 10.8% over the year as a whole. This strong performance was primarily due to the "Magnificent Seven" technology stocks in the US, which recorded substantial price gains thanks to the promising prospects for the use of artificial intelligence.

The Swiss equity market was unable to keep pace due to its defensive weighting and the strength of the Swiss franc. The SMI, which covers Swiss blue-chip stocks, was up by 3.8% for the year. The SPI Extra, which comprises the small and mid-cap companies listed on the SIX Swiss Exchange, outperformed the large-cap stocks and closed at +6.5%.

The Life Science Tools sector, which Tecan is considered part of, has underperformed the broader market for the second year in a row. Healthcare stocks were generally under-owned as was the Life Science Tools sector specifically within healthcare following robust COVID over-performance in 2020 and 2021. The underperformance of the sector in 2023 was driven by a myriad of headwinds including: the elongation of bioprocessing destocking timelines, a difficult funding environment for biotech companies, tighter pharma budgets and a deteriorating macro environment in China that reverberated across the entire sector.

At CHF 343.40, shares of Tecan finished the year at -16.7% and a market capitalization of CHF 4.4 billion at the end of the year.

SHARE INFORMATION

Listing:	SIX Swiss Exchange
Stock name:	Tecan Group
Security number:	1210019
ISIN:	CH0012100191
Bloomberg:	TECN SW
Reuters:	TECN.S

SHARE PRICE PERFORMANCE BETWEEN DEC. 31, 2022 AND DEC. 31, 2023

SHARE PRICE PERFORMANCE BETWEEN 2021 AND 2023

Tecan SW Equity   SPI Extra

TECAN SHARE

	2021	2022	**2023**
Numbers of shares issued	12,678,108	12,731,441	12,783,087
Number of shares outstanding at December 31	12,678,108	12,731,441	12,783,087
Average number of shares outstanding	12,225,180	12,716,274	12,770,050
Share price at December 31 (CHF)	555.50	412.40	343.40
High (CHF)	594.50	515.00	428.00
Low (CHF)	362.00	268.20	256.40
Average number of traded shares per day[1]	27,745	30,874	32,253
Average trading volume per day (CHF)[1]	13,412,765	14,925,418	15,592,068

INFORMATION PER SHARE

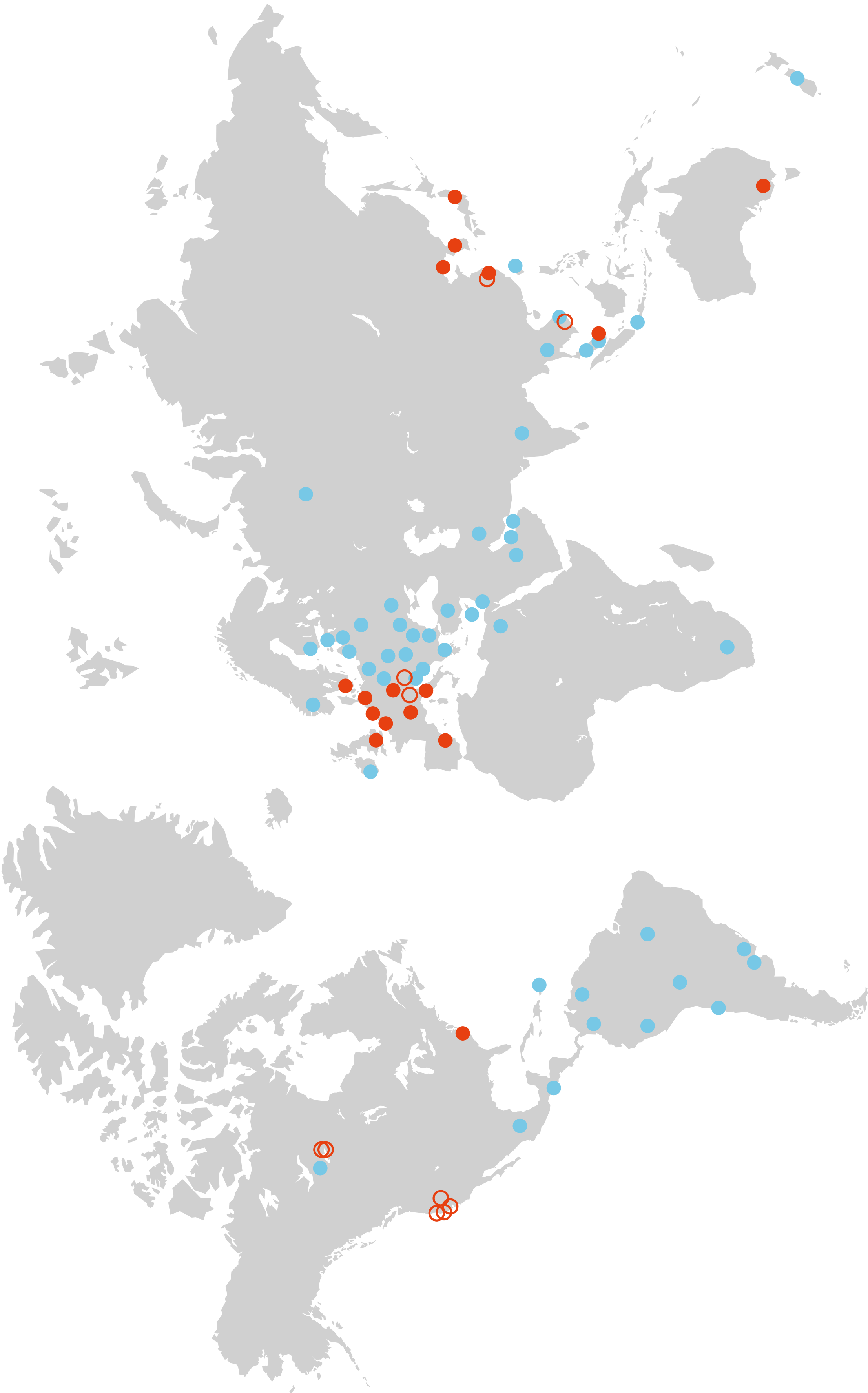
	2021	2022	**2023**
Basic earnings per share (CHF/share)	9.95	9.53	10.34
Adjusted earnings per share (CHF/share)	12.35	12.14	12.88
Shareholders' equity at December 31 (CHF 1,000)	1,224,895	1,357,720	1,348,910
Dividend (CHF)	2.80	2.90	3.00[2]
Dividend yield (%)[3]	0.54%	0.70%	0.87%

FINANCIAL RATIOS

	2021	2022	**2023**
Market capitalization (CHF million)[4]	7,042.7	5,250.4	4,389.7
Price Earnings Ratio[5]	44.98	33.97	26.66

[1] Including off-exchange trading
[2] Proposal to the Annual General Meeting of Shareholders on April 18, 2024
[3] At share price as of Dec 31
[4] Number of shares issued multiplied with share price as of Dec 31
[5] Share price as of Dec 31 divided by adjusted earnings per share

GLOBAL.



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All statements in this Annual Report not referring to historical facts are predictions of the future and constitute no guarantee whatsoever of future performance. They are subject to risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal regulations, market conditions, activities of competitors and other factors outside the Company's control.

This Annual Report is available in English only.

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