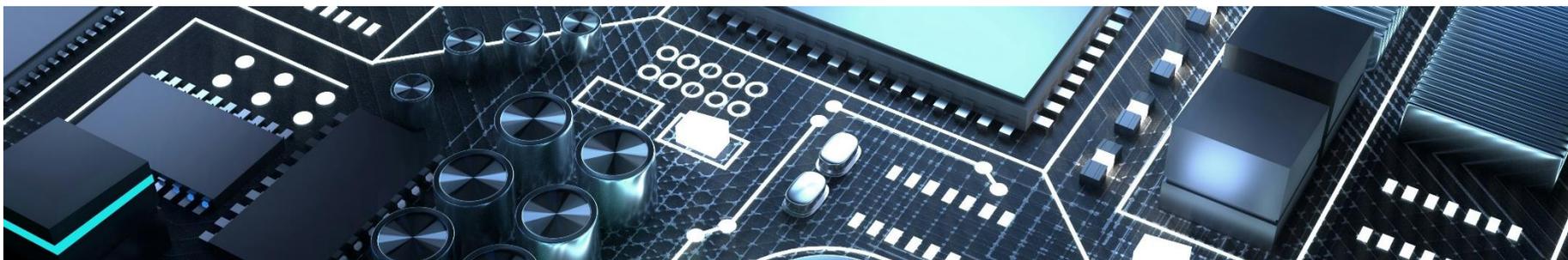


Fairness Opinion Cicor

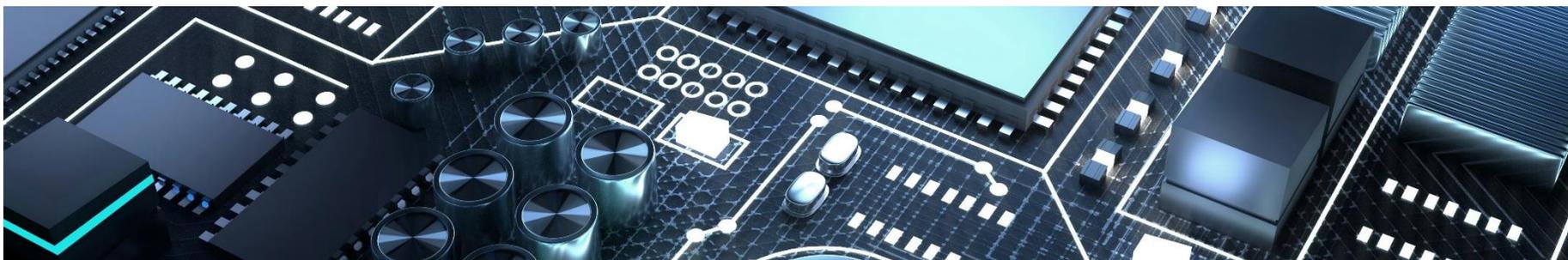
Assessment of the financial adequacy of the mandatory public takeover offer by OEP 80 B.V. for the outstanding shares of Cicor Technologies Ltd.

Zurich, 12 December 2024



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1 Introduction

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1 Introduction

1.1 Background



Cicor is a global industrial group listed on the SIX Swiss Exchange and operates as a provider of electronic manufacturing services

Cicor Technologies Ltd. (hereinafter also referred to as "Cicor", the "group", the "company" or the "target company"), is a leading global supplier and service provider in the field of electronics manufacturing. The group offers complex printed circuit boards, hybrid circuits and highly specialized electronic manufacturing services ("EMS"), including comprehensive engineering services and coverage of the entire value creation process, from research and development to manufacturing and supply chain management. Cicor creates solutions in a wide range of markets, with a particular focus on applications requiring miniaturization, precision and reliability, especially in the medical, industrial and aerospace & defense ("A&D") sectors.

The group's operating headquarter is located in Bronschhofen, Switzerland.¹ Cicor currently employs a total of around 3'300 people at 20 locations, primarily in Europe and Asia.² In the financial year ("FY") 2023, the group generated net sales of CHF 389.9 million (CHF 231.3 million in the first half of FY 2024) and EBITDA of CHF 45.1 million (CHF 24.7 million in the first half of FY 2024).

Cicor's shares have been listed on the SIX Swiss Exchange ("SIX") since April 1998. As of 6 December 2024, Cicor had a market capitalization of CHF 270.5 million. Cicor's share capital consists of 4'564'946 registered shares with a nominal value of CHF 10.00 each.³

On 9 December 2024, prior to the trading start on SIX, OEP 80 B.V. (the "offeror" or "OEP") pre-announced a mandatory public takeover offer (the "offer"), pursuant to which OEP agreed to acquire all publicly held registered shares of Cicor at a price of CHF 55.17 in cash per Cicor share ("offer price"). OEP needs to publish such offer, since it converted its mandatory convertible notes ("MCNs") and thereby crossed the mandatory offer threshold as per 29 November 2024.

¹ The legal headquarter is located in Boudry in the canton of Neuchâtel, Switzerland.

² Source: Cicor Investor Relations Presentation Update Q1 2024.

³ Source: SIX Swiss Exchange.

1.2 Our mandate

The present Fairness Opinion provides an independent valuation analysis of Cicor

IFBC is an independent corporate finance advisor and does not receive any compensation depending on the valuation results or the success of the transaction

The valuation date is 6 December 2024

On 17 October 2024, the board of directors (“BoD”) of Cicor mandated IFBC AG (“IFBC”) to prepare a Fairness Opinion to independently assess the financial fairness of the offer price. This report was prepared exclusively for the purpose of assisting the BoD of Cicor in the financial assessment of the offer. This Fairness Opinion may only be used for the financial assessment of the offer by the BoD of Cicor. The use for any other purposes other than assessing the financial fairness of the offer price is not permitted. In particular, the Fairness Opinion does not constitute a recommendation to the public shareholders to accept or reject the offer.

IFBC issues this Fairness Opinion as an independent corporate finance advisor and receives a common market fee for its services. IFBC does not receive any compensation that depends on the statements in this valuation report nor is IFBC entitled to receive a success fee if the proposed transaction is successfully completed. IFBC confirms that they are particularly qualified to issue Fairness Opinions within the meaning of Article 30(6) of the Ordinance of the Takeover Board on Public Takeover Offers and that it is independent of the offeror, the target company as well as the persons acting in concert with them.

When preparing the Fairness Opinion, IFBC relied on the accuracy and completeness of the information received by the management of Cicor. It is further assumed that the information received has been prepared reasonably, reflecting the best and most current available estimates and good faith judgements of Cicor’s management. IFBC’s responsibility is restricted to the careful and professional assessment and verification of the plausibility of the information and calculations provided. In providing this opinion, IFBC has conducted neither an audit nor a due diligence.

The results of our independent valuation analyses were submitted to the Cicor BoD on 6 December 2024 prior to the pre-announcement of the offer made by OEP on 9 December 2024. The valuation is based on the undisclosed quarterly financial statements as of 30 September 2024, the current FY 2024 forecast and the current business plan, which the Cicor BoD approved on 4 November 2024, as well as current information provided and assumptions made by the management. The management of Cicor also confirms that there have been no significant events or transactions preceding the publication of this valuation report that are not included in the above-stated information base.

1.3 Our approach

The assessment of the financial fairness of the offer by OEP to the shareholders of Cicor is based on independent valuation considerations of IFBC. These rely on the following analyses which are described in detail within this report:

- Analyses of the company's business model and of the current market environment
- Analysis of historical financials
- Assessment of the FY 2024 forecast and the business plan for FY 2025 to 2028 approved by the BoD of Cicor
- Company valuation and determination of the value per share is based on the following valuation methods:
 - Discounted cash flow method
 - Valuation based on trading multiples
 - Valuation based on transaction multiples
- Analysis of share price and current target share prices published by the analysts

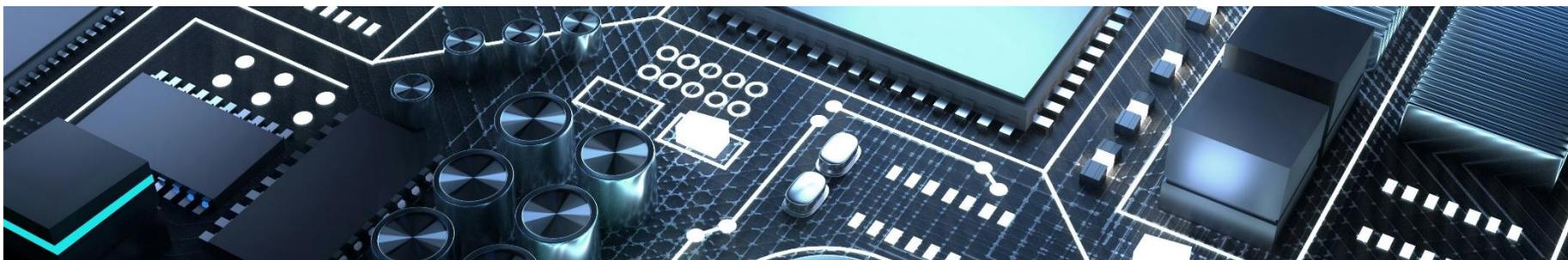
No consideration has been given to tax, legal or other issues at the level of the individual shareholders in the assessment of the financial fairness of the offer made by OEP to the shareholders of Cicor. Accordingly, only general statements on the financial fairness of the offer from the perspective of public shareholders are possible in the context of this Fairness Opinion.

1.4 Sources

IFBC's assessment is based on the analysis of the following information among others:

- Audited annual reports of Cicor (consolidated) for FY 2021 to 2023
- Cicor's year-to-date ("YTD") financial results in FY 2024 (consolidated) as of 30 September 2024 (unaudited and undisclosed)
- Current FY 2024 forecast
- Business plan for FY 2025 to 2028 approved by the BoD of Cicor on 4 November 2024
- Current information and assumptions derived from discussions with the management of Cicor⁴
- Capital market and financial data of selected peer companies (source: LSEG Data & Analytics)
- Data from selected transactions based on publicly available information (source: ION Analytics Mergermarket)
- Other publicly available information

⁴ Cicor's management further confirms that, up to the publication of this valuation report, no significant events or transactions have occurred that are not included in the information basis listed above. Current but not yet completed acquisition projects are not included in the business plan. For the purposes of the valuation, we assume that these potential acquisitions will be conducted at market value and therefore will not impact the valuation of Cicor.



2 Company description and market analysis

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2 Company description and market analysis

2.1 Overview of Cicor

Cicor, headquartered in Bronschhofen (Switzerland), is a supplier of electronic components and customized total solutions and services in the field of electronics manufacturing.⁵ Cicor supports customers with engineering services and offers solutions in various industries that are subject to high requirements on precision, miniaturization, reliability and technological innovation. The group currently employs a total of around 3'300 people at 20 locations, primarily in Europe and Asia.



Cicor operates internationally and focuses primarily on solutions for applications in medical technology, industry, aerospace and defense. In the first half-year ("H1") 2024, the group generated 33.3% (39.4% in FY 2023) of its net sales from products and services for industrial applications, 24.2% (28.8% in FY 2023) from the medical technology end market and 24.4% (16.1% in FY 2023) from A&D. The remaining 18.1% (15.7% in FY 2023) is distributed across other markets, such as transportation, communication and consumer electronics. At 86.2%, Cicor generates the majority of its sales in Europe (83.1% in FY 2023), of which 18.8% in Switzerland (23.0% in FY 2023). Asia follows as the second most important region with 9.6% (11.2% in FY 2023).

The group's largest shareholder is OEP, which currently holds a stake of 41.0%. Another significant shareholder is LLB Swiss Investment AG (4.1%).⁶

⁵ The legal headquarter is located in Boudry in the canton of Neuchâtel, Switzerland.

⁶ Source: Information provided by the management of Cicor; considering the capital increase expected for 10 December 2024.

2.2 Cicor's business model

2.2.1 Overview of the Cicor business model

Cicor has two main business units, Electronic Manufacturing Services ("EMS") and Advanced Substrates ("AS")

Cicor is a global provider of comprehensive electronic manufacturing solutions that cover the entire product lifecycle from engineering to manufacturing and supply chain management. Cicor's solutions include the development and production of substrates and printed circuit boards, microelectronics, hybrid circuits and precision machining of plastics. The group has two main business units, Electronic Manufacturing Services ("EMS") and Advanced Substrates ("AS").

Electronic Manufacturing Services

The EMS division is the most important sales driver for Cicor and accounts for around 90.2% (H1 2024) of the group's total net sales. The EMS segment offers a wide range of outsourcing services for the development and production of electronic modules, assemblies or complete electronic devices. The EMS segment has experienced considerable growth in recent years, driven by organic customer and market share gains as well as strategic acquisitions. The business unit focuses on highly specialized solutions and addresses sectors in which reliability and precision are of crucial importance.

Advanced Substrates

The AS division focuses on the production of high-quality thin-film substrates, printed circuit boards and innovative circuits, which are essential for demanding applications that require extreme miniaturization and robustness. The AS segment accounts for around 9.8% (H1 2024) of Cicor's total sales. Despite challenges in 2023 due to the loss of a multi-year contract for hybrid circuits and global supply chain issues, the division remains strategically important for Cicor's portfolio to provide end-to-end electronics solutions.

Cicor offers a comprehensive portfolio of highly specialized solutions that cover the entire life cycle of electronic products and enable the offering of comprehensive solutions. The group divides its offering into the following solutions:

Electronic manufacturing services:

Cicor offers customized outsourcing solutions for the development and production of electronic assemblies as well as entire devices and systems. Its services include high-precision PCB and microelectronics assembly, complete system integration, device and system construction and customized cable assemblies. The company supports its customers by managing the entire product life cycle and offers services from the creation of prototypes to series production. Logistical aspects such as material procurement, supply chain management and after-sales management are also integrated into the development process and handled by Cicor.



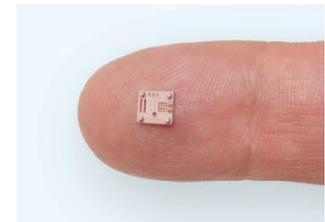
Engineering services

The group employs a large number of engineers, thanks to whom complex technical challenges can be solved efficiently. They support customers in the architecture and design phase of electronic devices as well as in the realization and implementation of software in order to optimally coordinate functionalities. They also offer support in areas such as PCB layout, component selection and test engineering.



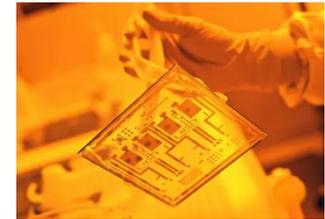
Precision plastics

The precision plastics from Cicor are used to produce high-precision and customized plastic parts for demanding applications. These plastic parts meet specific requirements in terms of accuracy and durability. In medical technology, for example, they are used to manufacture components in hearing aids or cardiac pacemakers, while in industry they are used in housings for sensors, control units or technical devices that need to be robust and resilient. The plastic parts are often part of complex assemblies that Cicor can offer as integrated systems in conjunction with electronic components.



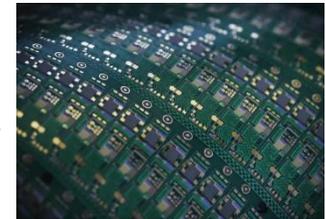
Hybrid circuits

Cicor offers high-precision hybrid circuits using both thin-film and thick-film substrates based on ceramic or organic materials that ensure high temperature resistance, durability and stability. The combination of these substrate types enables Cicor to meet specific miniaturization, performance and thermal efficiency requirements.



Printed circuit boards

Cicor designs and manufactures various types of flexible and rigid printed circuit boards ("PCB"), from the initial idea to large-scale production. The PCB's ensure high circuit density, reliability and performance. Cicor's printing manufacturing process brings new possibilities in terms of miniaturization and enables an innovative offering for the high demands of Cicor's target markets.



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Cicor's end markets

Cicor focuses on various end markets, but primarily on medical technology, industrial, aerospace and defense. These three target markets of Cicor account for around 81.9% of the group's total net sales in H1 2024. Cicor expects stable growth in demand for innovative, high-precision and reliable electronic solutions in these strategically important markets going forward. Other areas of application include the wearables market, such as watches, and building technology, such as energy management systems and door systems.

The industrial sector is the largest end market for Cicor's products and services.



Industrial

The industrial sector is the largest end market for Cicor's products and services. The market for the total electronic solutions offered by Cicor is driven by the need for digitalization, automation and the Internet of Things ("IoT"). Cicor offers its customers customized solutions for complex industrial requirements that demand durability and robustness.

Examples of applications

- Temperature control units: Electronic control units for precise temperature control in industrial processes to ensure optimum production conditions.
- Control and regulation systems: High-performance control systems for automation applications that maximize efficiency and reliability in industrial plants.
- Sensors: Industrial automation requires precise sensors to record data such as temperature, pressure, humidity or position information.
- Smart metering: Precise recording and real-time transmission of consumption data for energy, water and gas.

Medical technology is one of the largest and fastest growing markets for Cicor.



Medical

Medical technology is one of the largest and fastest growing markets for Cicor. In this field, reliability and precision are crucial. Medical technology is experiencing an electrification trend to improve preventive healthcare as well as the diagnosis, treatment and monitoring of health conditions. The components developed by Cicor are often miniaturized and designed to combine sophisticated functions in the smallest of spaces.

Examples of applications

- Hearing aids: Miniaturized electronics and precise manufacturing techniques enable high-performance hearing solutions that combine comfort and functionality for the patient.
- Pacemakers and defibrillators: Cicor develops and manufactures reliable components for life-saving implants that ensure precise control and monitoring of cardiac activity.
- Catheters and endoscopes: Production of miniaturized components for catheters and endoscopes that support minimally invasive procedures and offer high image quality for diagnosis and therapy.
- In-vitro diagnostics: Development and production of electronic components for laboratory diagnostic devices that deliver precise and fast results.

Strict safety and reliability requirements apply in the aerospace and defense sector



Aerospace & Defense

Strict safety and reliability requirements apply in the aerospace and defense sector, as electronic systems are often used in challenging environments. These environments place extreme demands on the resilience and stability of the components used, which Cicor can meet thanks to many years of experience with a focus on such areas of application.

Examples of applications

- T/R modules: High-performance transmit/receive modules used in radar systems for data transmission and signal processing.
- High frequency radio modules: Components used for the transmission of data in high-frequency applications such as satellite communication or military communication systems.
- Digital compasses: Precision instruments for navigation that provide accurate position data and function reliably under extreme conditions.
- High-end aviation electronics: Highly complex electronic systems for aviation that must meet strict safety standards and reliability requirements.

2.2.2 Strategy

Cicor's strategy

Cicor aims to become the leading European provider of EMS in its three main end markets where it sees sustainable growth and strong long-term demand. The goal is linked to strong growth in business activities, including the entry into further markets and the expansion of its market share and production capacity.

Three central pillars form the basis of Cicor's growth strategy:

In the long term, Cicor will continue to focus on the medical technology, industrial, aerospace and defense markets. These end markets are characterized by their sustainable growth and robustness. They also demand specialized solutions that meet the highest standards of reliability and durability. Thanks to its many years of experience in this area and its high level of innovation, Cicor has the corresponding competitive advantages.

Cicor strives to increasingly offer its customers comprehensive solutions from planning to series production, including supply chain management and after-sales management. Together with its global presence, which guarantees proximity to customers, Cicor secures long-term strategic customer relationships.

In addition to organic growth, Cicor actively pursues an M&A strategy. This allows both the product portfolio and production capacities to be expanded and new markets and regions to be entered. Three new target companies were acquired in the first half of 2024 alone, contributing 24.3% to EMS-specific net sales growth.

Focus on three end markets with sustainable growth

Strategic customer relationships through comprehensive solutions

Industry consolidation through M&A

2.3 Historical financials of Cicor

Key events in the recent past

- In recent years, Cicor has pursued an active growth strategy. Cicor has consistently expanded its presence in its target markets through organic growth and strategic acquisitions. Since the start of its active M&A strategy in 2021, Cicor has already acquired 7 companies, three of which in the first half of 2024 alone. The group has strengthened its market presence in Europe, expanded production capacities and used the synergies from the acquisitions to increase profitability. In January 2024, Cicor acquired 100% of the shares in STS Defence, a UK-based provider of electronics and communication systems with a focus on the A&D sector. In February 2024, Cicor expanded its product development capabilities in the medical technology sector with the full acquisition of Evolution Medtec, a Romanian provider of engineering services. Most recently, the acquisition of three manufacturing facilities from TT Electronics IoT has positioned Cicor as the leading EMS provider in the UK and the market leader in high-end electronics for applications in the A&D sector.
- To finance its growth strategy, Cicor issued an interest-free mandatory convertible note (“MCN”) on 20 January 2022 with a term of five years and a nominal value of CHF 20.0 million. The MCN was structured with a reopening clause that allowed Cicor to increase the principal amount to CHF 60.2 million within one year without the consent of the holders. This clause was exercised on 27 September 2022, whereby CHF 40.2 million was added through a sale to the main shareholder, OEP. The conversion price is CHF 47.50 per share. The converted shares are to be issued from the conditional capital of Cicor. The MCN is characterized as an equity instrument as it does not require cash settlement from Cicor.

Historical key performance indicators of Cicor

Historical key performance indicators of Cicor

in CHF million	FY 2021	FY 2022	FY 2023	YTD 06/2024
Net sales	239.0	313.2	389.9	231.3
<i>Net sales growth p. a. in %</i>	11.2%	31.0%	24.5%	n/a
EBITDA	23.1	32.3	45.1	24.7
<i>EBITDA margin in %</i>	9.7%	10.3%	11.6%	10.7%
CAPEX*	8.1	11.4	12.7	5.7
<i>CAPEX in % of net sales</i>	3.4%	3.6%	3.3%	2.5%
Net debt	61.1	44.5	43.5	79.6
Equity (book value)**	64.5	127.1	131.5	131.1

* Investments in property, plant and equipment and intangible assets (excl. M&A).

**As of 1 January 2024, Cicor offsets acquired goodwill directly against equity at the time of acquisition. Historical carrying amounts of equity have been adjusted for comparability.

Sources: Cicor's annual reports and historical financials.

Historical development of net sales

In FY 2021, Cicor generated net sales of CHF 239.0 million, representing a growth of 11.2% compared to the previous year. Despite the effects of the COVID-19 pandemic and supply chain problems with electronic components, the group experienced record order intake due to the omnipresent trends in the context of electrification. In addition, strategic acquisitions contributed to sales growth.

Despite ongoing supply shortages for electronic components, Cicor's sales grew by a further 31.0% to CHF 313.2 million in FY 2022. Of this growth, 14.1% was achieved organically and the rest through strategic acquisitions. The European market in particular, in all three major end markets, made a significant contribution to this growth.

In the 2023 financial year, the sales volume rose to almost CHF 400.0 million for the first time, with around two-thirds being achieved through further strategic acquisitions. The focus on the three core markets continued to be a key growth driver. Medical technology in particular recorded the highest growth with segment-specific sales growth of 43.3%, followed by the Industrial sector with 21.6% and A&D with 19.7%.

As at the end of June 2024, the group had recorded YTD net sales of CHF 231.3 million, which corresponds to an increase of 16.1% compared to the first half 2023. This growth is primarily attributable to the recent acquisitions mentioned above. Organically generated sales declined slightly in the first half of 2024, influenced by weaker demand in the industrial electronics sector and delays in key projects in the A&D sector. In regional terms, Europe remains by far the most important geographical market area for Cikor, accounting for over 86.2% of total sales.

Historical development of the EBITDA margin

In FY 2021, Cikor's EBITDA margin was 9.7%, up from 9.0% in FY 2020, which can be attributed to organic sales growth and the materialization of synergies from a strategic acquisition. Despite ongoing supply shortages, the company was able to maintain its profitability thanks to the strong order intake.

The EBITDA margin of Cikor increased to 10.3% in 2022, reaching a double-digit figure for the first time since the start of the EMS business. This was again due to the successful integration of acquisitions and the successful passing on of inflation-related cost increases to customers. In addition, an improved product mix with a focus on high-margin segments contributed to the improvement in operating profitability.

Driven by synergies from strategic acquisitions and improvements in operational efficiency, Cikor was able to increase the EBITDA margin to 11.6% in 2023. The increasing focus on core markets, the discontinuation of low-margin areas and the easing of tension in the supply chain were of key importance in this regard.

During the first half of FY 2024 (YTD 30 June 2024), Cikor recorded operational improvements and a slight increase in profitability in the EMS and AS divisions. This positive development was mitigated by the relatively lower margin of the acquired TT Electronics IoT companies compared to the rest of the group.

Historical development of CAPEX (excl. acquisitions)

Capital expenditure ("CAPEX"), excluding acquisitions, amounted to between 3.3% and 3.6% of net sales in FY 2021 to FY 2023. For the current financial year 2024, the cumulative CAPEX as of 30 June 2024 amounts to 2.5% of net sales. Cikor's growth strategy is linked to investments in maintaining existing and building new production capacities.

Historical development of net liquidity and book value of equity

Net debt (current and non-current interest-bearing financial liabilities less cash and cash equivalents) increased by a total of CHF 18.6 million between the end of FY 2021 and 30 June 2024. As of 30 June 2024, Cikor had financial liabilities of CHF 130.1 million and cash and cash equivalents of CHF 50.5 million, resulting in a current net debt of CHF 79.6 million. Since 1 January 2024, Cikor has offset goodwill from acquisitions directly against equity at the time of acquisition instead of capitalizing it and amortizing it over its useful life. This adjustment is in line with standard practice under Swiss GAAP FER and promotes comparability with other listed companies.

The book value of equity (adjusted for goodwill offsetting) increased by CHF 66.5 million to CHF 131.1 million between the end of FY 2021 and 30 June 2024. This increase is mainly due to the issue of the mandatory convertible note. Despite the offsetting of goodwill against equity, Cicor has a solid balance sheet with an equity ratio (equity as a percentage of total assets) of 31.4% as of 30 June 2024.

2.4 Market analysis

Market volume and growth prospects in the electronic manufacturing services sector

Cicor provides electronic manufacturing services to the medical, industrial, aerospace and defense markets. The following market analysis focuses on the latest trends and developments in the EMS industry with a focus on Cicor's end markets.

In 2023, the global EMS market recorded a decline due to high customer inventories and a simultaneous slowdown in sales development, particularly in the communications and consumer electronics sectors. Demand recovered in the first half of 2024. Despite this temporary market decline, the outlook is positive. The global EMS market is estimated to have a total sales volume of between USD 515.0 billion and USD 539.4 billion in 2023. The overall EMS market is expected to grow at a compound annual growth rate ("CAGR") of between 4.6% and 7.0% from 2023 to 2028.⁷

The increasing demand for electronic innovations in numerous sectors as well as technological advances, for example in the field of medical devices, IoT or industrial automation, are driving the demand for EMS specialists. In addition, original equipment manufacturers ("OEM") will increasingly outsource their manufacturing processes to specialized EMS companies in the future in order to focus on their core competences and ensure competitive cost structures.⁸

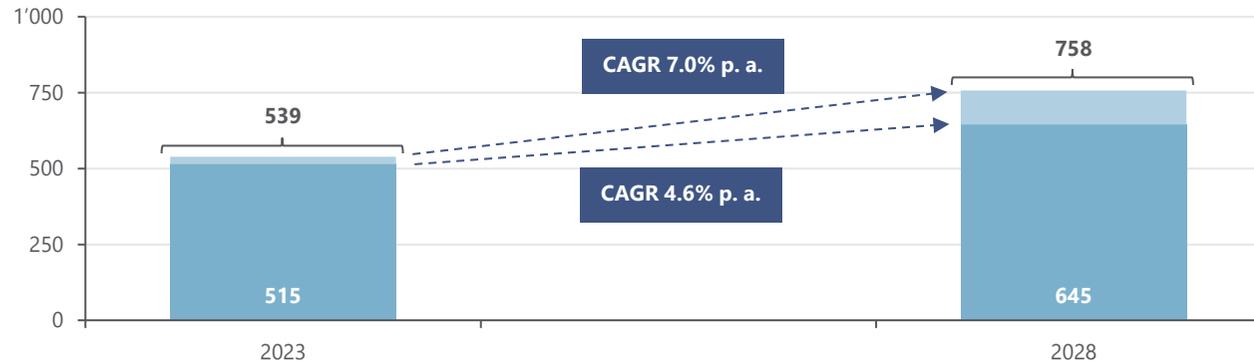
The market in Europe and the Middle East ("EMEA") accounted for around 17.5% of the total global market in 2023. This share is expected to develop similarly to the global market until 2028 and thus remain fairly constant. The three main end markets of Cicor account for a share of around one third of the volume.⁹

⁷ New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition, p.163; Precedence Research, Electronic Manufacturing Services Market Size, Share, and Trends, 2024.

⁸ Future Market Insights, Electronic Manufacturing Services Market, 2023.

⁹ New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition, p.163 & p.185.

Expected sales growth in the global EMS market from 2023 to 2028 (in USD billion)



Sources: New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition; Precedence Research, Electronic Manufacturing Services Market Size, Share, and Trends, 2024.

Based on the bottom bandwidth of growth, the market shares and growth prospects of Cicor's individual end markets are discussed below.

Industrial applications accounted for 14.4% (USD 13.1 billion) of the total EMS market in the EMEA region in 2023. The rapid advancement in automation in the industrial sector is driving the growth of the industrial EMS market, with IoT and smart manufacturing processes increasing the demand for electronic components. In addition, EMS providers are improving supply chain flexibility and OEM companies need to maintain significantly lower inventories of electronic components. According to forecasts, the market for industrial applications will grow to USD 15.72 billion by 2028, corresponding to a CAGR of 3.8%.¹⁰

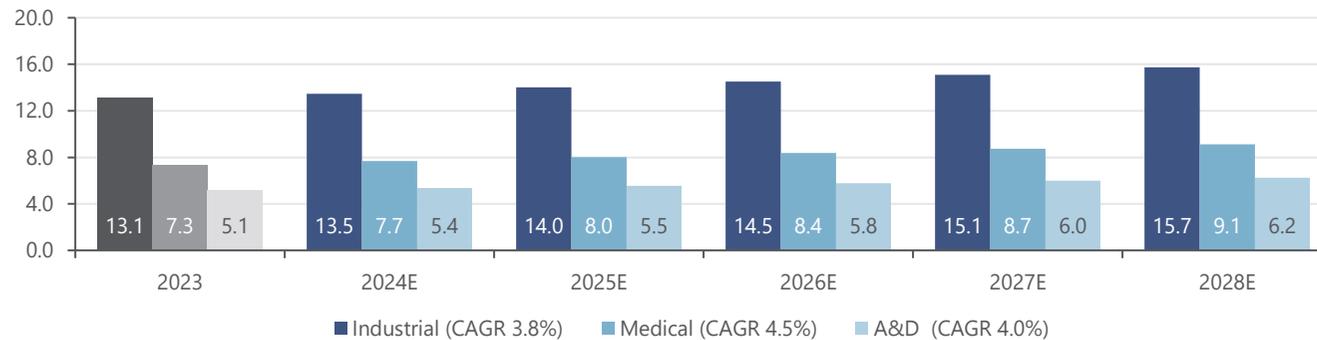
Technological advances in medical devices and the increasing focus on the healthcare industry, coupled with correspondingly higher expenditure, are driving sustainable growth. In addition, the demand for mobile and portable electronic devices is also increasing in this sector. The proportion of OEM players that outsource their production is currently still rather low but is likely to increase significantly in the future to ensure competitive cost structures. In 2023, the market volume for EMS in the

¹⁰ New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition, p.185.

medical technology sector in Europe amounted to USD 7.3 billion, which corresponds to an 8.1% share of the EMEA market as a whole. This market is expected to grow at a CAGR of 4.5% to USD 9.1 billion by 2028.¹¹

The market volume for EMS in the aerospace and defense sector was USD 5.1 billion in 2023, corresponding to a 5.7% share of the total EMS market in the EMEA region. This market is expected to grow to USD 6.2 billion by 2028, corresponding to a CAGR of 4.0%.¹² The A&D sector's demand for advanced electronic systems is driven by technological innovations, increasing defense budgets and stringent quality requirements.

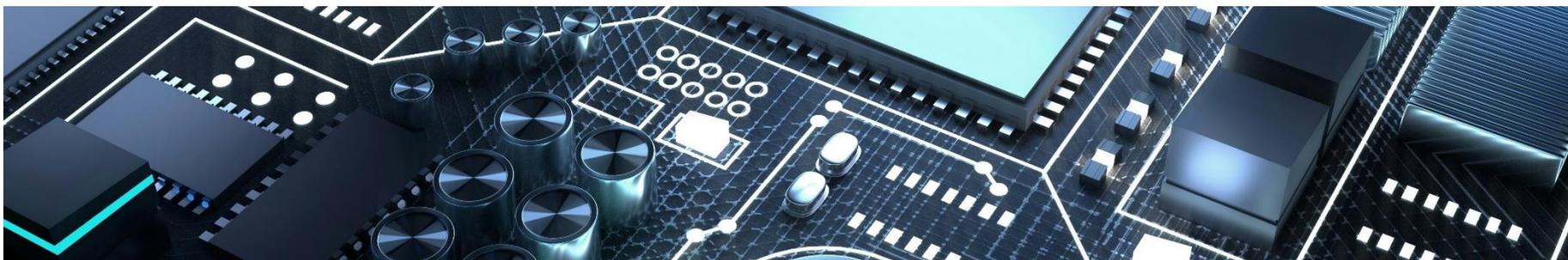
Expected minimum growth of the EMS market in EMEA from 2023 to 2028 by selected end markets (in USD billion)



Source: New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition, p.185.

¹¹ New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition, p.185.

¹² New Venture Research, The Worldwide Electronics Manufacturing Services Market, 2024 Edition, p.185.



3 Valuation

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| 3.1 Valuation approach | Page 24 |
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3 Valuation

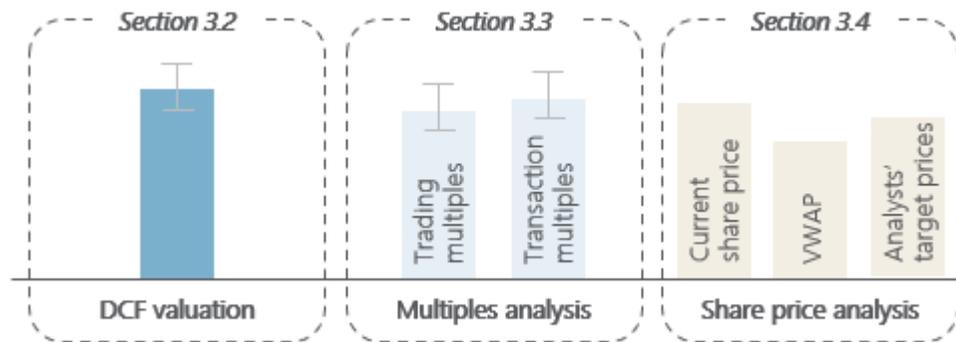
3.1 Valuation approach

According to best practice, we primarily rely on the DCF method to value Cicor. In addition, we apply trading and transaction multiples and consider the results of the share price analysis

We value Cicor on a stand-alone basis and apply different valuation approaches to assess the fairness of the offer made by OEP from a financial point of view. In accordance with the pre-announcement of the public takeover offer dated 9 December 2024, Cicor’s value per share is calculated as of the relevant valuation date being 6 December 2024.

Within our valuation framework, the discounted cash flow method (“DCF method”) holds the greatest significance. The valuation considerations are supplemented using market-based methods derived from the valuations of listed peer companies (trading multiples) and prices paid in comparable transactions (transaction multiples). The value per share resulting from the DCF method and the trading and transaction multiples valuation is also compared with Cicor’s current share price, the group’s volume weighted average price (“VWAP”) of the last 60 trading days and the analysts’ published target prices.

Valuation approach



3.2 Discounted cash flow method

3.2.1 Introduction to the valuation methodology and to the cost of capital

The applied DCF method is in line with corporate finance theory as well as the current best practice in company valuation. In general, the value of a company is derived by discounting the expected future free cash flows ("FCF") with the weighted average cost of capital ("WACC") at the defined valuation date.

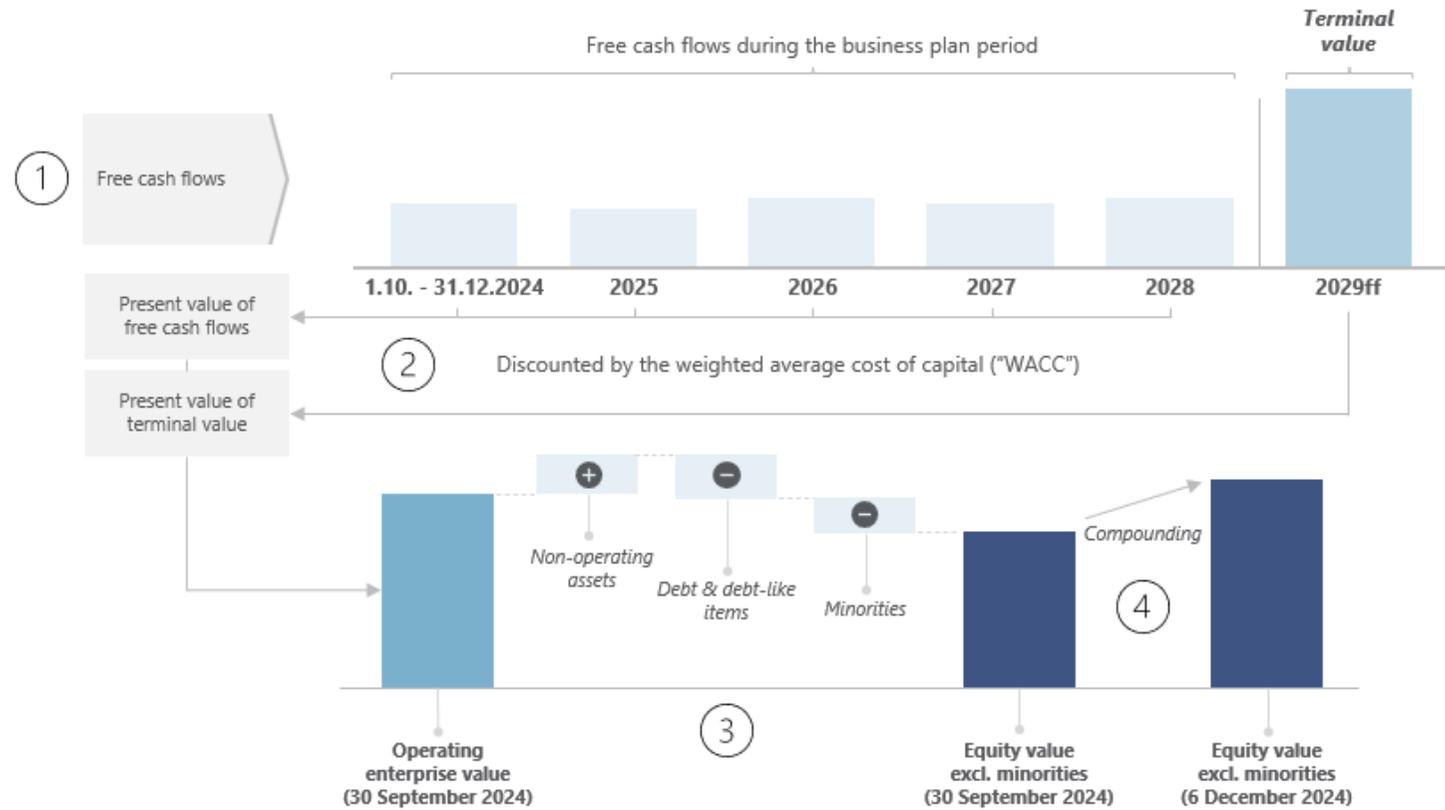
Based on the described valuation approach, the market value of Cicor's equity, excluding minority interests, as of 6 December 2024 can be derived as follows:

Derivation of equity value

- 1 In the first stage, the predicted future FCF is calculated using the most recent 2024 forecast, the business plan approved by the BoD and the related management information, with a corresponding detailed planning period from 1 October 2024 to the end of FY 2028. The portion of value attributable to the period after FY 2028 is expressed as terminal value ("TV").
- 2 The expected FCFs of the business plan and the calculated terminal value are then discounted to 30 September 2024 by applying the specific WACC for Cicor. The operating enterprise value as of 30 September 2024 is then derived from the present values of the future expected FCFs and the TV.
- 3 Based on Cicor's interim financial statements as of 30 September 2024, the non-operating assets are added to the operating enterprise value and the interest-bearing debt, debt-like items and minority interests are deducted. This results in the market value of equity as of 30 September 2024.
- 4 The calculated equity value is compounded to the valuation date as of 6 December 2024 and then divided by the number of shares outstanding to determine the value per share as of 6 December 2024.

Valuation approach for determining the market value of Cicor's equity value

The following illustration summarizes the determination of Cicor's equity market value as of 6 December 2024:



3.2.2 Business plan

The estimated future free cash flows are based on the forecast for FY 2024, the business plan for FY 2025 to 2028 as well as additional information provided, and assumptions made by the management

The projected FCF of Cicor for FY 2024 to 2028 is based on the current forecast 2024 and the business plan for FY 2025 to 2028, which was approved by the Board of Directors of Cicor on 4 November 2024, as well as additional information and assumptions made by management. The assumptions on the sustainable values as the basis for determining the terminal value were confirmed by management.

Cicor plans to continue pursuing an active M&A strategy in the future. The aim is to achieve sales growth of CHF 300.0 million to CHF 600.0 million by 2028 through strategic acquisitions. These acquisitions and the associated growth are not part of the business plan. For the present valuation, planned but not yet completed acquisition projects are not considered, as it is assumed that these possible acquisitions will be made at market value and therefore have no influence on the current valuation of Cicor.

The resulting average values of the most important value drivers and assumptions for the DCF valuation are summarized in the following table.

Overview of key assumptions in the business plan period and terminal value compared to the past

Mean	FY 2021 - 2023	FY 2024 - 2028	Terminal value
Net sales growth (CAGR)	22.0%	11.0%	2.0%
EBITDA margin in %	10.5%	12.3%	13.0%
CAPEX* in % of net sales	3.4%	3.1%	3.0%
NWC** in % of net sales	26.1%	18.5%	16.4%

*Investments in property, plant and equipment and intangible assets (excl. M&A).

**A different calculation method was used to determine the NWC compared to the alternative performance indicators disclosed by Cicor as part of the financial reporting.

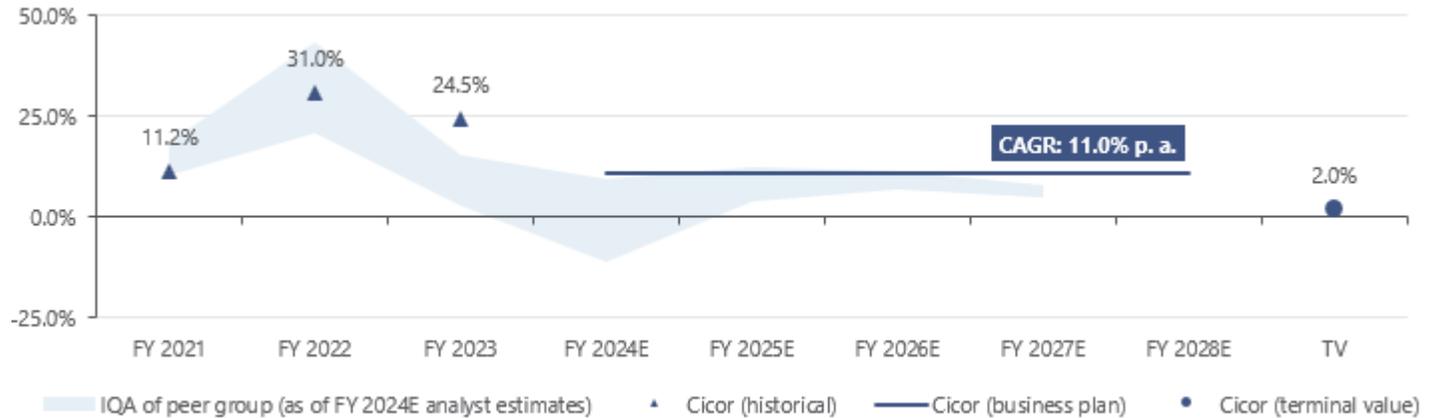
Sources: Annual reports, planning data and information provided by the management of Cicor.

We have assessed the information and assumptions of the management of Cicor from an independent point of view and evaluated their plausibility. For this purpose, the key assumptions in the business plan were compared with the analysts' estimates for the identified peer companies, among others. For this analysis, the peer companies, which offer customized

EMS solutions for comparable target markets and, like Cicor, rely on a high degree of specialization and therefore lower volumes, were combined in a peer group.¹⁴ The most important assumptions are described below.

Assumptions regarding the development of net sales

Comparison of historical and forecast growth rates for Cicor’s net sales and those of the peer companies



Sources: LSEG Data & Analytics, business plan and information provided by the management of Cicor.

The net sales growth of Cicor in FY 2021 (11.2%) and FY 2022 (31.0%) was within and in FY 2023 significantly above the interquartile range of the peer companies (25% to 75% quartile, "IQR"). In addition to organic growth, the above-average growth in FY 2023 is attributable to the strategic acquisitions made.

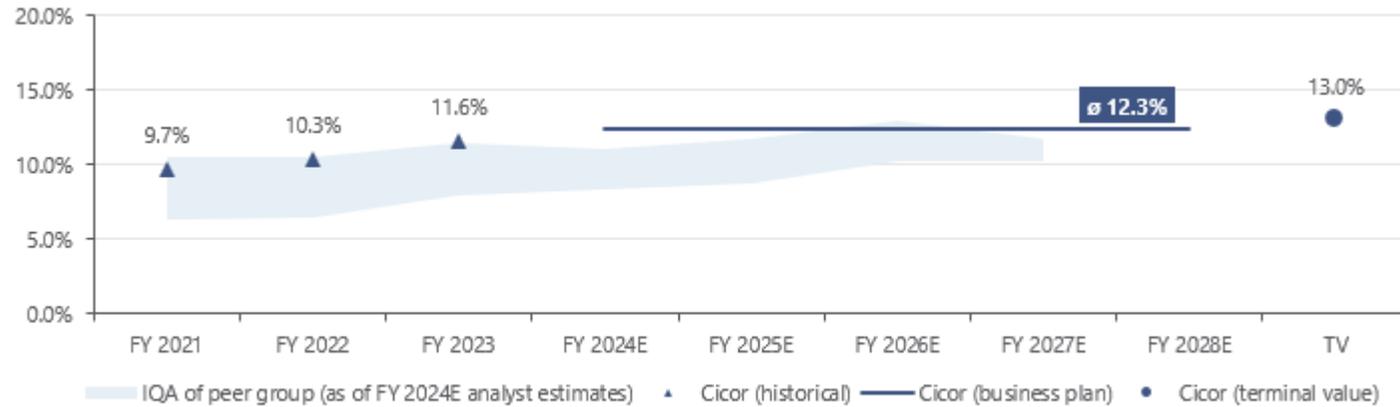
In FY 2024 to 2028, management expects a CAGR of 11.0%. The targeted sales increase in the business plan reflects mainly organic growth, including the acquisitions already completed in FY 2024, and is at the upper end of the IQR of the analysts' forecasts for the peer companies. According to the business plan, Cicor is continuing its active growth strategy and should continue to gain market share in the future.

¹⁴ An overview of the peer companies can be found in section 5.3 in the appendix.

For the terminal value a sustainable growth rate of 2.0% in line with the weighted long-term inflation expectations is considered.¹⁵

EBITDA margin assumptions

Comparison of historical and projected adjusted EBITDA margins of Cicor and the peer companies¹⁶



Sources: LSEG Data & Analytics, business plan and information provided by the management of Cicor.

The EBITDA margin achieved by Cicor in FY 2021 and 2022 of 9.7% and 10.3% respectively is at the upper end of the IQR of the peer group. The EBITDA margin of 11.6% in FY 2023, increased by growth, synergies from strategic acquisitions and improvements in operating efficiency, is just above the IQR of the peer group.

The IQR of the EBITDA margins forecast by analysts for the peer companies ranges between 8.5% and 12.8% for FY 2024 to 2027. The average EBITDA margin expected by Cicor management for FY 2024 to 2028 is 12.3%, which is at the upper end of this range.

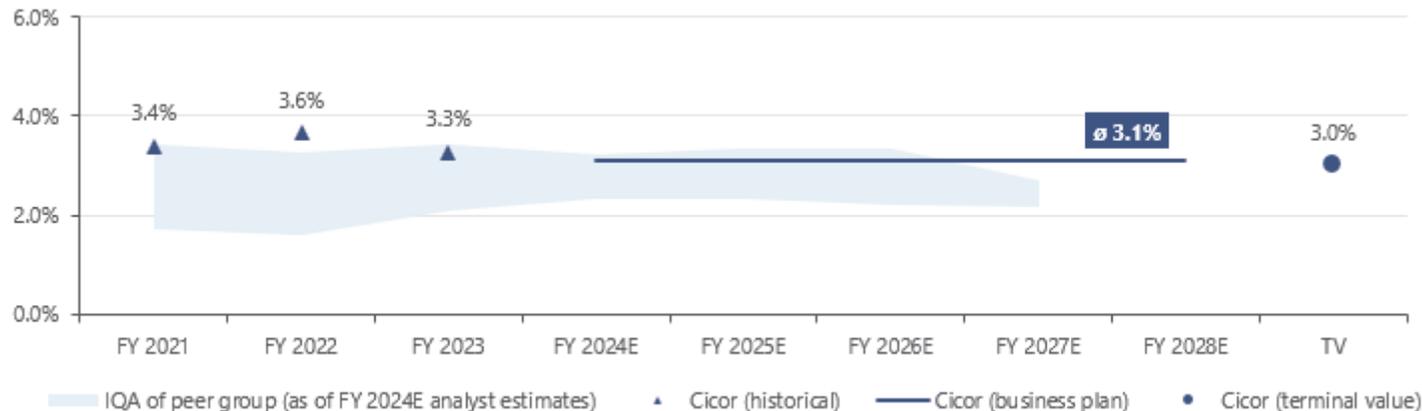
In the long term, the management of Cicor considers an EBITDA margin of 13.0% to be sustainable. The assumed sustainable operating profitability level of Cicor is above the analyst consensus for the peer group as of the end of the 2027 financial year.

¹⁵ Source: IMF, World Economic Outlook, October 2024.

¹⁶ IFRS 16 and ASC 842-related effects have been eliminated in the historical and future EBITDAs of the peer companies to ensure consistent comparability between the analyzed companies and Cicor.

Assumptions regarding the CAPEX

Comparison of Cicor’s historical and projected CAPEX-level with those of the peer companies



Sources: LSEG Data & Analytics, business plan and information provided by the management of Cicor.

In FY 2021 to 2023, Cicor invested between around CHF 8.1 million and CHF 12.7 million per year, which corresponds to an investment ratio (CAPEX excluding acquisitions in % of net sales) of 3.3% to 3.6%. With these values, Cicor was at the upper end, or slightly above the IQR of its peer companies. For FY 2024 to 2028, the management of Cicor assumes an average investment ratio of 3.1%, which is also at the upper end of the IQR of analysts' estimates for peer companies.

In the long term, the management of Cicor expects a CAPEX level of 3.0% of net sales. In the terminal value, depreciation is also assumed to be equal to the estimated long-term level of CAPEX.

Net working capital (“NWC”)

The net working capital (“NWC”) of Cicor amounted to an average of 26.1% in relation to net sales in FY 2021 to 2023.¹⁷ For the planning period from FY 2024 to 2028, Cicor expects a decrease in NWC in relation to net sales to an average of 18.5%. When calculating the terminal value, a sustainable level of 16.4% is applied, which is equivalent to the FY 2028 estimate.

Taxes

Based on the estimates of Cicor management, an imputed long term tax rate of 25.00% is assumed for FY 2024 to 2028 and the TV.

¹⁷ A different calculation method was used to determine the NWC compared to the alternative performance indicators disclosed by Cicor as part of the financial reporting.

Interim results as of 30. June 2024, recent events and Forecast 2024

In the first two quarters of FY 2024 (as of 30 June 2024), Cicor generated net sales of CHF 231.3 million with EBITDA of CHF 24.7 million. Both sales and EBITDA are slightly below the pro rata forecast for FY 2024. Due to the high visibility with regard to the financial development in the second half 2024, management nevertheless considers the forecast for 2024 to be realistic, which is also supported by the consensus of analysts' expectations.

On 8 November 2024, Cicor publicly announced that it had successfully acquired the Swedish development company Nordic Engineering Partner AB. In addition, on 2 December 2024, it was communicated that the company has signed an agreement to acquire the German EMS service provider Profectus GmbH.¹⁸ Both transactions represent further significant milestones for Cicor on its way to becoming the leading pan-European development and manufacturing partner for sophisticated electronics. Neither of the two transactions are reflected in the business plan on which the valuation is based. However, as the transactions were or will be carried out at market prices, they have no influence on the value per share resulting from this fairness opinion.

¹⁸ Source: Cicor press releases.

Calculation of the equity value

Discounting the expected free cash flows of the planning period as well as the terminal value with the WACC of 9.50%¹⁹, yields an operating enterprise value of CHF 562.3 million as of 30 September 2024.

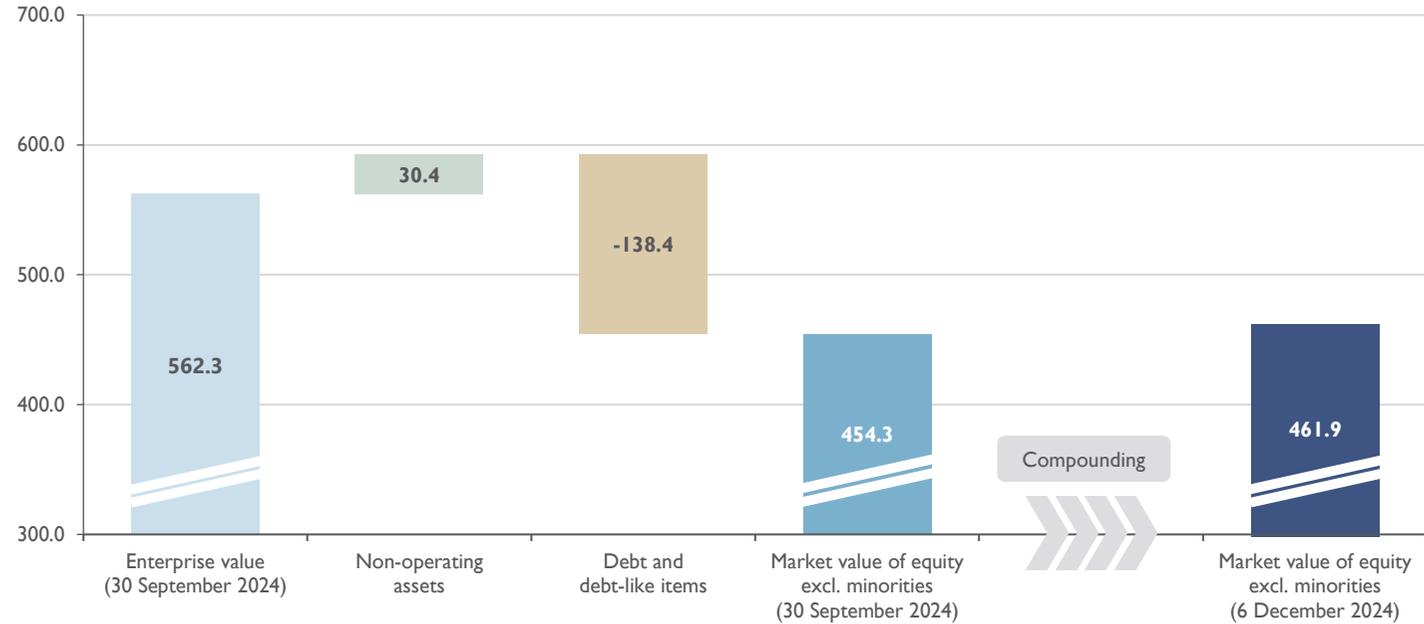
Non-operating assets as of 30 September 2024 totaling CHF 30.4 million comprise deferred tax assets (net) and the calculated excess liquidity of CHF 22.1 million. This results from management's considerations regarding the amount of liquidity required for operations, which were validated by IFBC.

Interest-bearing financial liabilities and debt-like items amounting to CHF 138.4 million are deducted from the operating value of the company (current and non-current financial liabilities, current and non-current provisions, liabilities for a cash settlement of existing employee participation plans and pension obligations). As of 30 September 2024 there were no minority interests recorded on the balance sheet of Cicor.

The equity value resulting for Cicor as of 30 September 2024 in the amount of CHF 454.3 million is ultimately compounded to the valuation date. This results in an equity value of CHF 461.9 million as of 6 December 2024.

¹⁹ For further information on the calculation of the WACC, see section 5.1 in the appendix.

Determination of Cicor’s equity value as of 6 December 2024 (in CHF million)



Source: IFBC.

Value per share in CHF

As of 6 December 2024, a total of 4'564'946 shares have been issued. According to the management, Cicor currently holds 307'007 of these shares as treasury shares, which must therefore be deducted from the total number of shares issued. In addition, 113'326 new shares will be issued upon the conversion of the remaining MCN. The relevant number of outstanding shares therefore amounts to 4'371'265. Dividing the equity value of CHF 461.9 million as of 6 December 2024 by this number of shares results in a value per share of CHF 105.67.

Sensitivity analyses with respect to the value per share of Cicor as of 6 December 2024 (in CHF)

		Sustainable EBITDA margin in %				
		12.50%	12.75%	13.00%	13.25%	13.50%
WACC	9.00%	109.20	112.22	115.23	118.25	121.27
	9.25%	104.51	107.40	110.29	113.17	116.06
	9.50%	100.13	102.90	105.67	108.44	111.21
	9.75%	96.03	98.69	101.35	104.01	106.67
	10.00%	92.19	94.75	97.30	99.86	102.41

		Sustainable CAPEX in % of net sales				
		3.50%	3.25%	3.00%	2.75%	2.50%
WACC	9.00%	109.02	112.13	115.23	118.34	121.45
	9.25%	104.33	107.31	110.29	113.26	116.24
	9.50%	99.95	102.81	105.67	108.53	111.38
	9.75%	95.86	98.61	101.35	104.10	106.84
	10.00%	92.02	94.66	97.30	99.94	102.58

Source: IFBC

The figures above show the sensitivity analyses in regard to the value per share of Cicor in CHF as of 6 December 2024. A change in the assumed WACC of 9.50% by ± 50 basis points and the sustainable EBITDA margin assumed in the terminal value by ± 50 basis points results in a value range of CHF 92.19 to CHF 121.27 per share. An identical change in the WACC with a simultaneous adjustment of the sustainable CAPEX in % of net sales by ± 50 basis points results in a range for the value per share of between CHF 92.02 and CHF 121.45.

Summary

- Applying the DCF method to determine the enterprise value is recognized as best practice.
- The assumptions regarding the free cash flows are based on the FY 2024 forecast and the business plan for FY 2025 to 2028, which was approved by the board of directors of Cicor on 4 November 2024, the undisclosed YTD FY 2024 results as of 30 September 2024 as well as the information provided and assumptions made by the management.
- To determine the market value of the equity, a WACC of 9.50% was applied.
- The resulting value per share as of 6 December 2024 amounts to CHF 105.67.
- The sensitivity analyses result in a value range per share from CHF 92.02 to CHF 121.45.
- The result of the DCF valuation is given the highest importance in this Fairness Opinion as the DCF method is in line with recognized corporate finance theory and current best practice and allows Cicor's specific company-circumstances to be properly reflected in the valuation.

3.3 Multiples valuation

The valuations based on trading and transaction multiples are used to cross-check the value per share resulting from the DCF analysis.

Valuation based on trading multiples

For the valuation based on trading multiples, a peer group with comparable companies was formed for Cicor.²⁰ For each selected peer company, the EBITDA multiple is calculated by setting the total enterprise value as of 30 November 2024²¹ (market value of equity plus net debt) in relation to the respective EBITDA (11/2024 (last twelve months, "LTM"), respectively to the expected ("E") EBITDA 12/2025E and 12/2026E). Deviations in market capitalization between Cicor and those of the peer group companies are considered accordingly in the trading multiples valuation by considering the resulting implicit size premiums/discounts.

The resulting median value for the peer group multiples is applied to Cicor's estimated EBITDA. This results in the operating enterprise value. The non-operating assets are added to the operating enterprise value and the interest-bearing debt and debt-like items as of 30 September 2024 are deducted. The resulting equity value is compounded as of the valuation date of 6 December 2024 and divided by the relevant number of shares outstanding to calculate the respective value per share. This results in a range for the value per share of between CHF 58.87 and CHF 78.79. The average median value per share amounts to CHF 71.15.

Considering the median, applying trading multiples results in a lower valuation of Cicor compared to the DCF valuation. However, it must be noted that the underlying multiples of the peer companies do not entirely reflect the expected performance improvement of Cicor.

Valuation based on transaction multiples

As part of the analysis of transaction multiples, the enterprise value is determined based on observable transactions with comparable companies. The analysis covered corporate transactions between January 2014 and October 2024 in which a controlling interest was acquired, or the acquisition led to a controlling interest. The enterprise values of the target companies are calculated on the basis of the purchase price paid in the individual transactions (100%) plus net debt and are

²⁰ For further information about the selected peer companies in the trading multiples analysis, see section 5.3 in the appendix.

²¹ Last month-end before the announcement.

compared with the reported EBITDA of the last twelve months prior to the transaction (“LTM”).²² Corresponding to the approach with in the trading multiples analysis, the deviation between the size of the individual comparable transactions and the market capitalization of Cicor is taken into account accordingly by considering the implied, size premiums/discounts.

This analysis is of limited value due to the limited number of comparable transactions and, in all cases, the large time discrepancy from the valuation date. When the number of comparable transactions is small, transaction-specific effects can also have a strong impact.

From 2014 to 2024, ten transactions were identified where the target company had a business model comparable to Cicor and the necessary financial information was publicly available.

To determine the enterprise value of Cicor, the resulting transaction multiples are multiplied by the EBITDA of Cicor as of 30 November 2024 (LTM). The value per share is calculated in the same way as set out above for the trading multiples analysis. The valuation based on transaction multiples results in a median value per share of CHF 67.86 with a value range between CHF 54.62 and CHF 129.38.

²² For further information on the selected comparable transactions in the transaction multiples analysis, see section 5.4 in the appendix.

Cicor value per share as of 6 December 2024 based on the multiples valuations (in CHF)



Sources: LSEG Data & Analytics, IFBC analyses.

Summary

- Valuations based on trading and transaction multiples are performed to cross-check the DCF value.
- The valuation based on trading multiples results in an average value per share from CHF 58.87 and CHF 78.79 (average median value CHF 71.15). The on average lower valuation of Cicor using trading multiples compared to the DCF valuation can be attributed to the fact that the underlying trading multiples do not fully reflect the expected performance improvement of Cicor in the business plan.
- The valuation based on transaction multiples results in a value per share of CHF 67.86, with values ranging from CHF 54.62 to CHF 129.38. The transaction multiple valuation is less meaningful due to the small number of comparable transactions and the time difference.
- IFBC considers the significance of the multiples valuations to be limited. In general, it should be noted that both the business models and the specific situation of the peer companies may differ from those of Cicor. Due to the large time difference and any company and transaction-specific items, the transactions are of little use given the small number of transactions available.

3.4 Share analysis and analysts' estimates

Development of the share price

The price of the Cicor share has increased by 16.0% over the past 12 months. During that time, the price fluctuated between CHF 48.80 (20 December 2023) and CHF 60.00 (3 December 2024).

On 6 December 2024, the last trading day prior to the pre-announcement of the offer by OEP, the Cicor shares traded at a closing price of CHF 59.40. The volume-weighted average price (VWAP) of the last 60 trading days as of 6 December 2024 was CHF 55.17.

Development of Cicor's share price over the last twelve months (in CHF)



Sources: LSEG Data & Analytics, SIX Swiss Exchange.

Discount resulting from the offer price on the share price

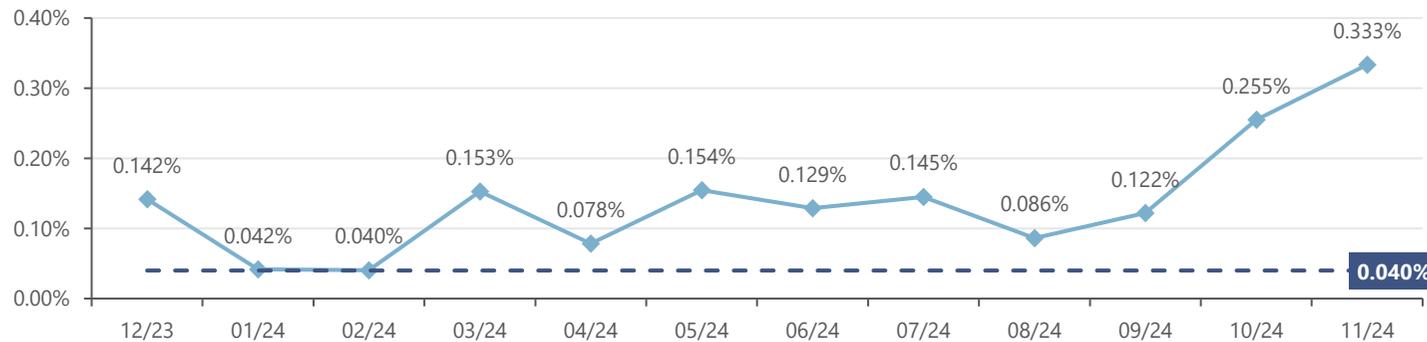
The offer price is CHF 55.17 per Cicor share and therefore corresponds to the VWAP (60 trading days) as per 6 December 2024. The discount on the offer price compared to the closing price prior to the pre-announcement of the offer (6 December 2024) is therefore -7.12%.

Liquidity analysis

Under current takeover law, shares of companies included in the Swiss Leader Index (“SLI”) are classified as liquid. Furthermore, securities that are not part of the SLI are considered as liquid “provided that the monthly median of the daily volume of a security relative to the free float has been at least 0.04% in 10 of the 12 months prior to the publication of the offer or the pre-announcement.²³ Since Cicor’s shares are not part of the SLI, the liquidity of the share is checked on the basis of the trading volume analysis.

Considering the trading volumes on the Swiss stock exchanges SIX Swiss Exchange and BX Swiss, the median trading volume of Cicor’s shares during the 12-month period prior to the pre-announcement of the transaction is higher than the applicable threshold of 0.04% in 11 out of 12 months. From this perspective, the shares of Cicor are considered liquid. If the trading volumes of Cicor shares on other stock exchanges and trading platforms abroad²⁴ are also considered, the median trading volume of Cicor shares during the 12-month period prior to the pre-announcement of the transaction is at or higher than the applicable threshold of 0.04% in all 12 months. The share price of Cicor is therefore a valid reference for assessing the financial adequacy of the offer.

Monthly median values of the number of Cicor shares traded as a percentage of the free float (considering stock exchanges and trading platforms in Switzerland and abroad)



Sources: LSEG Data & Analytics, IFBC analysis, Free float according to Cicor’s share register as of 31 December 2023; 30 June 2024 and 30 September 2024 as well as information provided by Cicor management.

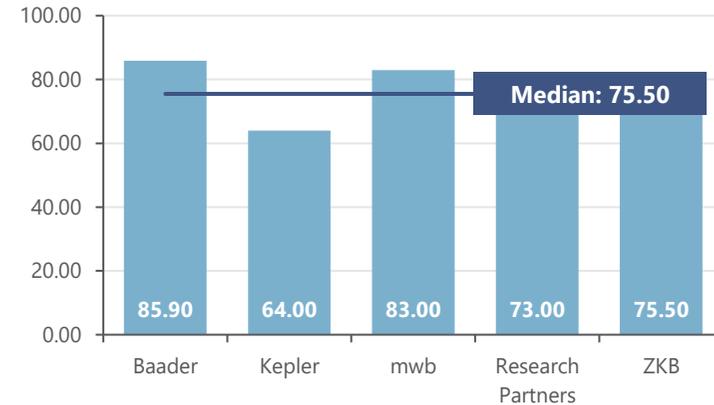
²³ cf. Swiss Takeover Board: TOB Circular No. 2 on liquidity in the context of takeover law, 26 February 2010.

²⁴ Among others, the following stock exchanges and trading platforms were taken into account: Aquis, BATS, CBOE and London Stock Exchange.

Analysts' target prices

Five analysts actively publish reports with target prices for Cicor.²⁵ The price targets of all analysts were last updated between mid of October and beginning of December 2024 and range between CHF 64.00 and CHF 85.90. The median value of the price targets is CHF 75.50. With an offer price of CHF 55.17, the offer of OEP is -26.9% below the median value of the analysts' price targets. Compared to Cicor's business plan, the analysts assume lower growth in net sales and a lower EBITDA margin in the financial plans, which is why the resulting median price target is below the value per share according to the DCF valuation.

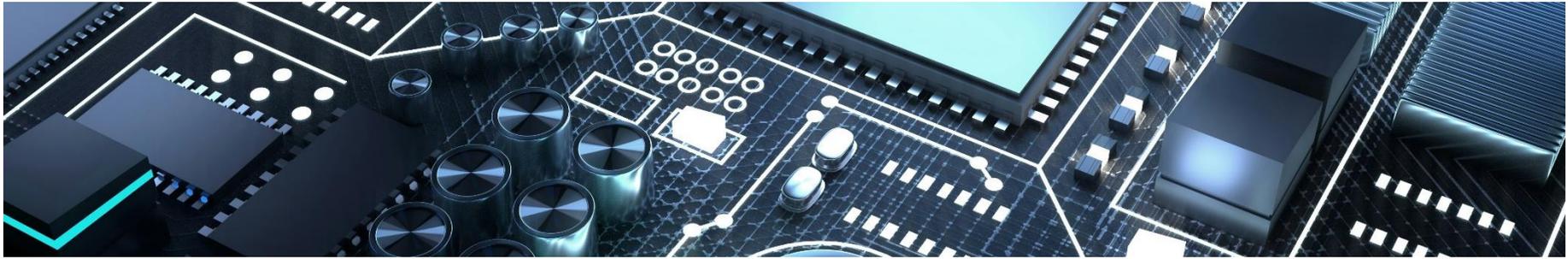
Analysts' target prices (in CHF)



Summary

- Considering the trading volumes on the Swiss stock exchanges and the stock exchanges abroad. The shares of Cicor are considered to be liquid within the meaning of the applicable Swiss takeover law. For this reason, both the share price and the VWAP of the last 60 trading days can be used as a valid reference when assessing the financial adequacy of the offer by OEP.
- On the last trading day before the pre-announcement of the offer (6 December 2024), Cicor's share price closed at CHF 54.90. The 60-day VWAP at that time was CHF 55.17. The implied discount compared to the share price at the offer price is -7.12%. Compared to VWAP, the implied premium is at 0.00%, since the offer price exactly corresponds to the VWAP (60 trading days).
- The current analysts' target prices range from CHF 64.00 to CHF 85.90, with a median of CHF 75.50. The analysts' lower valuation compared to the DCF valuation is likely to be caused by lower growth and lower EBITDA margin expectations. In addition, there are only a few analysts' estimates available. In this context, the published target prices are only of secondary importance in the financial assessment of the offer.

²⁵ Sources: LSEG Data & Analytics, Baader, 2.12.2024; Kepler Chevreux, 15.10.2024; mwb research, 29.11.2024; Research Partners, 14.11.2024, Zürcher Kantonalbank, 19.11.2024.



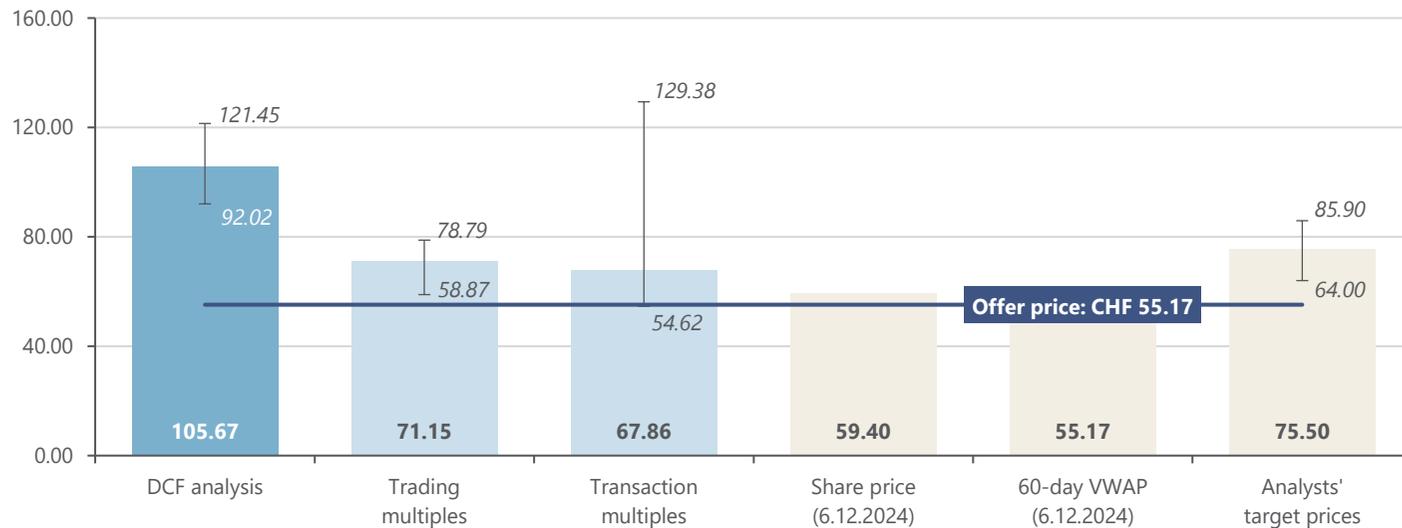
| 4 Conclusion

4 Conclusion

Based on the analyses described in the previous sections and based on the assessment and evaluation of all the information provided, IFBC has come to the following conclusion with regard to the financial fairness of OEP’s public takeover offer for the outstanding shares of Cicor:

Overview of the valuation results

Overview of the valuation results for Cicor as of 6 December 2024 (value per share in CHF)



Source: IFBC.

- According to best practice, we applied a set of valuation methodologies to determine the value per share of Cicor.
- The DCF method results in a value per share of CHF 105.67 with a value range from CHF 92.02 to CHF 121.45 as of 6 December 2024. The valuation result is mainly sensitive to the sustainable EBITDA margin, the sustainable CAPEX level and to the assumed cost of capital. In the context of this Fairness Opinion, the result of the DCF valuation is given the highest importance since this approach follows recognized corporate finance theory and current best practice and best accounts for the company-specific circumstances of Cicor.

- Applying trading multiples results in a value range from CHF 58.87 to CHF 78.79 per share as of 6 December 2024 (average median value of CHF 71.15). Applying transaction multiples results in a value range from CHF 54.62 to CHF 129.38 per share (median of CHF 67.86). Despite the careful selection of peer companies, we consider the valuation based on multiples to be of limited significance. Company-specific circumstances and the expected financial development and corresponding performance improvement of Cicor are not fully reflected in the underlying multiples of the peer companies. Furthermore, the transaction identified to determine the transaction multiples are only broadly comparable Cicor.
- The shares of Cicor are considered to be liquid taking into account the trading volumes on the Swiss stock exchanges as well as other trading platforms and stock exchanges abroad. For this reason, both the share price and the VWAP of the last 60 trading days can be considered in the assessment of the financial adequacy of the offer by OEP.
- Compared to the closing price of CHF 59.40 on 6 December 2024, the last trading day prior to the pre-announcement, the offer price of CHF 55.17 corresponds to a discount of -7.12%. A comparison between the offer price and the VWAP (60 days) of CHF 55.17 as of 6 December 2024 results in a premium of 0.00%, since the offer price exactly corresponds to the VWAP (60 trading days).

Final assessment of the offer

Based on our analyses, valuation considerations and the results presented, IFBC considers the offer price of CHF 55.17 per Cicor share to be **not** fair from a financial point of view. This conclusion is based on the following considerations:

- The offer price corresponds to only 52.2% of the value per share according to the DCF valuation and is significantly below the value range resulting from the sensitivity analysis.
- The offer price is below the value range resulting from the application of trading multiples and corresponds to only 77.5% of the average median value of the trading multiples. In addition, the offer price is also below the median value of the transaction multiples valuation.
- The offer price is below the closing price of the share price as of 6 December 2024 and corresponds exactly to the VWAP of the previous 60 trading days (as of 6 December 2024).

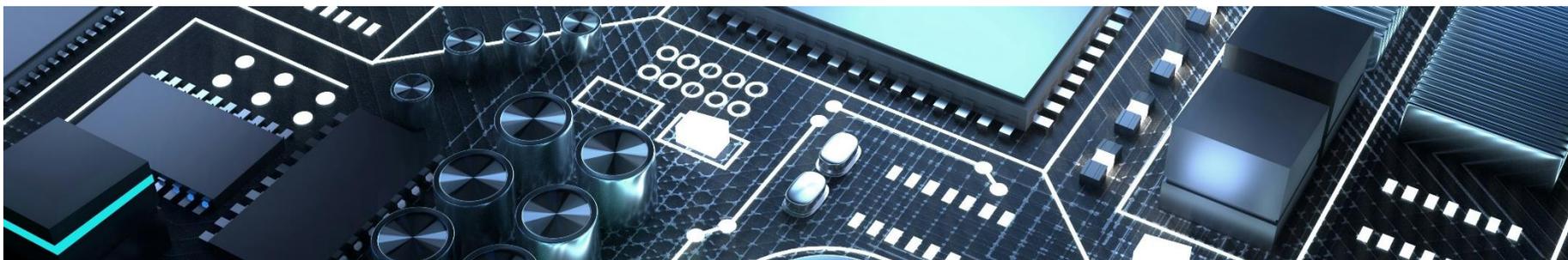
Zurich, 12 December 2024



Dr. Thomas Vettiger
Managing Partner



Jan Hunziker
Manager



5 Appendix

- | | | |
|-----|--|---------|
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5 Appendix

5.1 Weighted average cost of capital (WACC)

Parameter	Value	Description
Currency-weighted risk-free rate	2.00%	<ul style="list-style-type: none"> Higher value of the defined minimum rate (floor of real interest rate plus long-term expected inflation) and the rolling average yield (1 month) of the 10-year Swiss government zero bond. Consideration of the long-term inflation difference between Switzerland and the relevant foreign countries in accordance with the sustainable currency split estimation provided by Cicor's management. Sources: LSEG Data & Analytics, IMF World Economic Outlook (October 2024), management of Cicor.
Market risk premium	6.00%	<ul style="list-style-type: none"> The market risk premium reflects the long-term difference between the return of a market portfolio and the risk-free rate. It reflects the additional premium an investor expects of an investment in stocks compared to a risk-free investment. In accordance with best practice, a sustainable implied market risk premium of 6.00% is applied. Source: IFBC.
Unlevered beta	0.83	<ul style="list-style-type: none"> The unlevered beta captures the systematic, non-diversifiable risk of a company that is entirely financed by equity. To increase the statistical significance of the beta analysis, statistically significant betas of peer group companies are analyzed in addition to the beta of Cicor. The median unlevered beta of the peer group as of 30 November 2024 (last month-end before the valuation date) is based on weekly returns over a period of 2 years. Sources: LSEG Data & Analytics, management of Cicor
Leverage-factor	0.19	<ul style="list-style-type: none"> The leverage factor is calculated considering Cicor's target capital structure as well as its relevant tax rate (the Hamada approach).
Levered beta	0.99	<ul style="list-style-type: none"> The levered beta measures the systematic risk and reflects both the operating as well as the financial risk of a company.
Risk premium	5.91%	

Parameter	Value	Description
Size premium	3.35%	<ul style="list-style-type: none"> Empirical and practical evidence shows that smaller companies have significantly higher cost of equity than companies with high market capitalization. For this reason, a size premium is considered in the CAPM. The size premium is derived using statistical methods based on the company's market capitalization. Taking into account the market capitalization of Cicor and our valuation considerations, a size premium of 3.35% (average of 9th and 10th decile of the size premiums according to Kroll) is applied. Sources: LSEG Data & Analytics; Kroll as of 31 December 2023.
Cost of equity	11.26%	
Currency-weighted base rate	2.00%	<ul style="list-style-type: none"> Higher value of the defined minimum rate (floor of real interest rate plus long-term expected inflation) and the rolling average yield (1 month) of the 5-year swap rate. Consideration of the long-term inflation difference between Switzerland and the relevant foreign countries in accordance with the sustainable currency split estimation provided by Cicor's management. Sources: LSEG Data & Analytics, IMF World Economic Outlook (October 2024), management of Cicor.
Credit spread	150bps	<ul style="list-style-type: none"> Based on the current market data and debt capital conditions of Cicor, a premium of 150bps on the base interest rate is applied. Sources: LSEG Data & Analytics, management of Cicor.
Cost of debt	3.50%	
Tax rate	25.00%	<ul style="list-style-type: none"> Expected long-term tax rate of Cicor. Source: management of Cicor.
Tax-adjusted cost of debt	2.63%	
Share of equity	80.00%	<ul style="list-style-type: none"> Definition of target capital structure for Cicor based on the capital structure of the peer group.
Share of net debt	20.00%	<ul style="list-style-type: none"> Sources: LSEG Data & Analytics, management of Cicor.
WACC (rounded)	9.50%	

5.2 Beta analysis as of 30 November 2024

Company	Country	Local currency	Leverage ¹⁾	Adj. Levered Beta ²⁾	Adj. Unlevered Beta
			11/2024	11/2024	11/2024
Cicor Technologies Ltd	Switzerland	CHF	0.22	0.62	0.51
Benchmark Electronics Inc	United States of America	USD	0.04	0.98	0.94
Kitron ASA	Norway	EUR	0.18	0.58	0.49
Scanfil Oyj	Finland	EUR	0.06	0.59	0.56
Note AB (publ)	Sweden	SEK	0.06	0.92	0.86
Kimball Electronics Inc	United States of America	USD	0.31	1.05	0.80
Incap Oyj	Finland	EUR	0.00	1.07	1.07
TT electronics PLC	United Kingdom	GBP	0.36	0.65	0.48
Nortech Systems Inc	United States of America	USD	0.17	0.73	0.62
Hanza AB	Sweden	SEK	0.15	0.86	0.75
Inission AB	Sweden	SEK	0.20	0.90	0.75
Fabrinet	Cayman Islands	USD	0.00	1.65	1.65
Median			0.16	0.95	0.83

1) Leverage: 2-year average (net debt x (1-tax rate) / equity).

2) Adj. weekly beta (2 years) as of 30 November 2024.

Values in grey are excluded from the analysis due to a lack of statistical significance.

Source: LSEG Data & Analytics.

5.3 Trading multiples as of 30 November 2024

Company	Country	Reporting standard	Local currency	Market cap as per 30.11.2024	Enterprise value as per 30.11.2024 ¹⁾	Adjusted EBITDA multiples ²⁾		
				in CHF million	in CHF million	11/24 LTM	12/25 E	12/26 E
Cicor Technologies Ltd	Switzerland	CH GAAP	CHF	204.5	284.1	5.3x	4.6x	4.3x
Benchmark Electronics Inc	United States of America	US	USD	1'564.7	1'524.5	7.8x	7.3x	n/a
Kitron ASA	Norway	IFRS	EUR	501.1	586.7	7.8x	6.9x	6.1x
Scanfil Oyj	Finland	IFRS	EUR	492.6	483.4	5.7x	5.3x	4.9x
Note AB (publ)	Sweden	IFRS	SEK	300.4	316.8	7.7x	6.4x	5.5x
Kimball Electronics Inc	United States of America	US	USD	435.9	585.1	5.5x	5.7x	n/a
Incap Oyj	Finland	IFRS	EUR	266.7	252.8	7.1x	6.2x	5.7x
TT electronics PLC	United Kingdom	IFRS	GBP	236.9	360.1	5.7x	4.5x	3.8x
Nortech Systems Inc	United States of America	US	USD	28.2	36.2	n/a	n/a	n/a
Hanza AB	Sweden	IFRS	SEK	236.2	291.4	7.4x	5.2x	4.8x
Inission AB	Sweden	IFRS	SEK	58.3	82.2	6.6x	5.9x	5.4x
Fabrinet	Cayman Islands	US	USD	7'523.8	6'723.2	14.9x	12.2x	10.3x
3rd quartile				494.7	585.5	7.8x	6.7x	5.7x
Median				283.6	338.4	7.1x	5.9x	5.4x
1st quartile				228.3	276.3	5.7x	5.3x	4.8x

1) Considering net debt.

2) For comparison reasons, effects on EBITDA due to ASC 842 and IFRS 16 were eliminated. No further adjustments were made (including no M&A-related pro forma adjustments). Differences between the market capitalization of Cicor and that of the peer group companies and the resulting implicit size-dependent premiums/discounts were considered by means of a size-adjustment when determining the EBITDA multiples.

Source: LSEG Data & Analytics.

5.4 Transaction multiples as of 30 November 2024

Date	Target	Buyer / Investor	Implied equity value in USD million (100%)	Adjusted EBITDA multiples ¹⁾
21.01.2022	MLB Electronics Oy	Inission AB	3	4.4x
20.12.2021	bb Electronics AS	Kitron ASA	91	15.6x
12.08.2021	IEC Electronics Corp IE1	Creation Technologies LP	174	22.3x
23.01.2020	AWS Electronics Ltd	Incap Oyj ICP1V	19	8.1x
09.11.2018	MC Assembly Holdings Inc	SMTC Corp	70	7.4x
01.11.2018	Speedboard Assembly Services Ltd	Note AB	10	5.6x
15.09.2016	Exception EMS Ltd	Fabrinet FN	16	6.0x
29.01.2016	GPV International A/S	Schouw & Co A/S	58	5.7x
06.10.2014	Kimball Electronics Inc	Kimball International Inc. (Spin Off)	210	5.0x
03.09.2014	CDR Manufacturing LLC	Key Tronic Corporation	47	12.8x
3rd quartile				11.6x
Median				6.7x
1st quartile				5.6x

1) Differences between the market capitalization of Cicor and that of the peer group companies and the resulting implicit size-dependent premiums/discounts were considered by means of a size-adjustment when determining the EBITDA multiples.

Sources: ION Analytics Mergermarket, LSEG Data & Analytics.

5.5 List of abbreviations

A&D	Aerospace & Defense
AS	Advanced substrates
BoD	Board of directors
bps	Basis points
CAGR	Compound annual growth rate
CAPEX	Capital expenditures
CH	Switzerland
CHF	Swiss Franc
Cicor, group, company, target company	Cicor Technologies Ltd.
DCF method	Discounted cash flow method
E	Expected
EBITDA	Earnings before interest, taxes, depreciation and amortization
EMEA	Europe, Middle East and Africa
EMS	Electronic manufacturing services
FCF	Free cash flow
FY	Financial year
H1 / H2	First / second half of a financial year
IFBC	IFBC AG
IMF	International Monetary Fund

IoT	Internet of things
IQR	Interquartile range
LTM	Last twelve months
M&A	Merger and acquisitions
MCN	Mandatory convertible note
NWC	Net working capital
OEM	Original equipment manufacturer
OEP, offeror	OEP 80 B.V.
Offer	Mandatory public takeover offer, pursuant to which OEP agreed to acquire all publicly held registered shares of Cicor
Offer price	Offer price of CHF 55.17 in cash per share of Cicor
PCB	Printed circuit board
SIX	SIX Swiss Exchange
SLI	Swiss Leader Index
TV	Terminal value
TOB	Swiss Takeover Board
VWAP	Volume-weighted average price
WACC	Weighted average cost of capital
YTD	Year-to-Date

