

A nighttime cityscape featuring several illuminated skyscrapers and a multi-level highway interchange. Light trails from moving vehicles are visible on the roads. The word 'Munich' is written vertically in large white letters across the center of the image.

Munich

Annual Report 2022

Autoneum at a glance

Autoneum is the global market and technology leader in sustainable acoustic and thermal management for vehicles, and partner to automobile manufacturers around the world. The Company develops and produces multifunctional, lightweight components for optimum noise and heat protection. The innovations of Autoneum make vehicles quieter, lighter and safer, and help to reduce fuel consumption and emissions.

1 804.5

Revenue in CHF million

+8.5

Organic revenue change
in %

11 622

Number of employees

2.0

EBIT margin in %

GROUP REPORT

- 04** Letter to Shareholders
- 12** 2022: Year in Review
- 32** Corporate Responsibility
- 42** Corporate Governance

FINANCIAL REPORT

- 66** Consolidated Financial Statements
- 117** Financial Statements of Autoneum Holding Ltd
- 131** Remuneration Report
- 138** Review 2018 – 2022

- 140** Important Dates / Contacts



Hans-Peter Schwald (l)
Chairman of the Board

Matthias Holzammer
Chief Executive Officer

Autoneum achieves **positive net result** in a challenging environment

Dear shareholders

2022 was the third challenging year in a row for the automotive supply industry and at the same time the most demanding. Sharp fluctuations in production volumes as a result of bottlenecks in vehicle manufacturer supply chains continued in 2022. They were worsened in Europe by the war in Ukraine, and in China, Autoneum's most important Asian market, by coronavirus-related lockdowns. In addition, there was an increase in energy and raw material prices with a climbing inflation the likes of which we have not experienced in the last 40 years. Despite these difficult conditions, Autoneum managed to post a positive net result and generate a solid free cash flow of CHF 57.3 million. In view of the challenges, we consider this to be a success.

With the acquisition of the Borgers automotive business announced in January 2023, Autoneum has taken an important strategic step toward further expanding its global market and technology leadership with sustainable and lightweight acoustic and thermal management solutions for vehicles. The Borgers products and technologies will provide an ideal complement to Autoneum's offerings. Autoneum's global presence offers further revenue potential in the medium term for profitable growth with the Borgers product portfolio, which until now has mainly been focused on Europe. Thanks to renegotiated supply agreements with customers, the transaction shall have a positive impact on earnings per share from the start, despite the planned capital increase of approximately CHF 100 million.

HIGHER REVENUE THANKS TO INFLATION-RELATED COMPENSATION

With 82.4 million vehicles produced (2021: 77.2 million vehicles) and an increase of 6.7%, the global automobile production recorded the first significant growth in two years, driven by the Asia and North America regions; however, production volumes remained below the level in 2019. Autoneum's revenue in local currencies rose considerably by 8.5%, although this was mainly due to inflation-related price

Financial Highlights

CHF million	2022		2021		Change	Organic change ¹
Autoneum Group						
Revenue	1 804.5	100.0%	1 700.4	100.0%	6.1%	8.5%
EBITDA	152.1	8.4%	179.8	10.6%	-15.4%	
EBIT	35.4	2.0%	57.5	3.4%	-38.5%	
Net result	10.9	0.6%	30.1	1.8%	-63.7%	
Return on net assets (RONA) ²	2.8%		4.5%			
Free cash flow	57.3		71.1			
Net debt at December 31 ³	252.2		251.4			
Number of employees at December 31 ⁴	11 622		11 840		-1.8%	
BG Europe						
Revenue	616.6	100.0%	636.9	100.0%	-3.2%	2.7%
EBIT	5.8	0.9%	32.2	5.1%		
BG North America						
Revenue	795.1	100.0%	687.0	100.0%	15.7%	11.0%
EBIT	-35.5	-4.5%	-37.5	-5.5%		
BG Asia						
Revenue	273.2	100.0%	281.0	100.0%	-2.8%	-2.7%
EBIT	31.5	11.5%	39.3	14.0%		
BG SAMEA⁵						
Revenue	120.5	100.0%	94.7	100.0%	27.2%	65.2%
EBIT	20.0	16.6%	15.7	16.6%		
Share AUTN						
Share price at December 31 in CHF	102.00		169.70		-39.9%	
Market capitalization at December 31	473.1		788.5		-40.0%	
Basic earnings per share in CHF	-0.49		4.91			
Dividend per share in CHF ⁶	-		1.50			

¹ Change in revenue in local currencies, adjusted for hyperinflation.

² Net result before interest expenses in relation to average shareholders' equity plus borrowings.

³ Net debt excl. lease liabilities at December 31.

⁴ Full-time equivalents including temporary employees.

⁵ Including South America, Middle East and Africa.

⁶ As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

adjustments. In the Europe, Asia and North America regions, Autoneum's production volumes developed below market level. Consolidated revenue in Swiss francs rose slightly less compared to the previous year due to the strength of the Swiss franc, increasing by 6.1% to CHF 1 804.5 million (2021: CHF 1 700.4 million).

HIGH INFLATION AND LOWER PRODUCTION VOLUMES IMPACT NET RESULT

Autoneum has consistently negotiated with customers throughout the year in order to offset rising costs for raw materials, energy, transport and personnel as much as possible. These negotiations showed adequate results, especially in the second half of the year, but the full offsetting effect in the income statement will not materialize until 2023. There was also an unfavorable model mix effect: Growth in China, Autoneum's main Asian market, and to some extent in Europe as well, was primarily driven by vehicle models that had parts supplied by Autoneum only to a limited degree. The lower production volumes at Autoneum resulted in much lower revenue in Asia and Europe, where margins are generally strong, and this was not offset by the very good results in the SAMEA region (South America, Middle East and Africa).

EBIT fell compared to the previous year by CHF 22.2 million to CHF 35.4 million (2021: CHF 57.5 million) and the EBIT margin declined from 3.4% to 2.0%, due in particular to lower EBIT contributions from Business Groups Europe and Asia. Net result declined by CHF 19.2 million to CHF 10.9 million (2021: CHF 30.1 million).

Free cash flow was CHF 57.3 million for the financial year, which was CHF 13.8 million below the previous year (2021: CHF 71.1 million). The main reasons for this were the lower net result and the higher investments in tangible assets, which rose compared with the previous year by CHF 5.5 million to CHF 39.7 million (2021: CHF 34.1 million).

Net debt (excluding lease liabilities) changed very little compared with the previous year and as of December 31, 2022 amounted to CHF 252.2 million (December 31, 2021: CHF 251.4 million).

The equity ratio also remained nearly unchanged, amounting to 29.4% at the reporting date (December 31, 2021: 30.0%), mainly because of currency losses recorded directly in equity, the reduced net result and dividend payments.

BUSINESS GROUPS

In local currencies, **Business Group Europe's** revenue rose by 2.7%, while vehicle manufacturer production volumes shrank by 0.7%. Revenue in Swiss francs fell as a result of negative exchange rate effects, declining by CHF 20.3 million, or 3.2%, to CHF 616.6 million (2021: CHF 636.9 million). Revenue growth above market was the result of inflation compensation, while Business Group Europe's production volumes were well below those of the previous year. The vehicle models predominantly supplied by Autoneum performed worse than the market average, which is why Autoneum lagged behind the market trend in this region. EBIT dropped by CHF 26.5 million to CHF 5.8 million (2021: CHF 32.2 million), with the EBIT margin decreasing from 5.1% to 0.9%. The main reasons for the decline were reduced production volumes, inflation and higher energy costs, which increased most sharply in Europe, and ongoing stop-and-go production by vehicle manufacturers as a result of supply chain interruptions that continued to make it difficult for Autoneum to manage production capacities. In addition, compensation of inflation by customers only takes effect after a certain time delay. Further, a positive one-off effect in the amount of CHF 4.8 million effective in the previous year no longer applied in 2022.

Business Group North America increased its revenue in local currencies by 11.0%. The number of vehicles produced rose by 9.7% compared with the previous year. Thanks to positive currency effects, revenue in Swiss francs increased by CHF 108.1 million (+15.7%) to CHF 795.1 million (2021: CHF 687.0 million). The change in volume at Autoneum's North American plants improved in comparison with 2021 thanks to the allocation of semiconductors to vehicle models supplied by Autoneum, supported by production volumes at US and German automobile manufacturers that were higher than the previous year. At CHF -35.5 million, EBIT was at about the same level as the previous year (2021: CHF -37.5 million), which represents a slightly improved EBIT margin of -4.5% (2021: -5.5%). Although the performance in the second half of 2022 was better than in the first half, the break-even point has not yet been reached. This was due in part to a one-off negative special effect in the amount of CHF 5.6 million in the first half of the year because of a distressed sub-supplier, which impacted the result. In addition the continued stop-and-go production at customers and a tight labor market with a cyclical shortage of skilled workers also negatively affected implementation of the planned improvement measures and profitability in Business Group North America.

Revenue in **Business Group Asia** in local currencies declined by 2.7%, developing significantly below market (+8.2%). In Swiss francs, revenue fell by CHF 7.8 million (-2.8%) to CHF 273.2 million (2021: CHF 281.0 million). Market growth in China was driven by Chinese vehicle manufacturers from whom Autoneum generated only little revenue in 2022. In addition, Autoneum's production locations in China, its main market, are in regions that were particularly affected by the coronavirus-related lockdowns. Because of the lower revenue and a positive one-off effect of CHF 4.8 million in the previous year that no longer applied in 2022, EBIT fell by CHF 7.8 million to CHF 31.5 million (2021: CHF 39.3 million), which corresponds to an EBIT margin of 11.5% (2021: 14.0%).

Business Group SAMEA posted hyperinflation-adjusted revenue growth in local currencies of 65.2% compared with the previous year. This growth was mainly due to inflation compensation and was in line with market in terms of volume, which increased by 7.7%. Because several local currencies continued to depreciate sharply, consolidated revenue in Swiss francs only increased by CHF 25.8 million (+27.2%) to CHF 120.5 million (2021: CHF 94.7 million). Thanks to market launches in South America and operational improvements, Business Group SAMEA once again achieved a very good result, with an EBIT of CHF 20.0 million (2021: CHF 15.7 million), which corresponds to an EBIT margin of 16.6% (2021: 16.6%).

INNOVATIONS FOR THE MOBILITY OF THE FUTURE

Increasing electrification and a focus on sustainable products and processes continued to be the main trends in the automobile industry for Autoneum. The Company once again brought innovative products to market in 2022 for which there is high demand from customers.

With its new monomaterial needlepunch and tufted carpet systems, Autoneum has set new standards for sustainability. The innovative carpet systems are made entirely of polyester, are completely recyclable and thus enable waste-free production. The carpets are based on existing, particularly environmentally friendly Pure technologies that have a high content of recycled PET. Furthermore, the latex-free production process requires significantly less energy and no water. With its fully recyclable monomaterial carpet systems, Autoneum also allows vehicle manufacturers to exploit previously untapped potential for the end-of-life recycling of electric vehicles.

In the area of vehicle acoustics for electric vehicles, annoying noises like the high-frequency sounds of e-motors and other electric devices or the wailing of the gearbox pose new challenges for vehicle manufacturers. With the textile and highly sustainable Pure technology Hybrid-Acoustics PET and the two foam alternatives Hybrid-Acoustics FLEX and Fit FLEX, the Company offers three standardized technologies that can be produced waste-free and that reduce noise in the front and rear areas of electric vehicles directly at the source. By offering fiber and foam-based products, Autoneum is able to meet customer requirements and needs in terms of material composition, sustainability, acoustic concepts and costs in a flexible manner.

ACQUISITION OF BORGERS AUTOMOTIVE BUSINESS

Borgers is a specialist in textile sound absorption, insulation and liners for vehicles, and it has a range of products, technologies and customers that is largely complementary to Autoneum's product and customer portfolio. Borgers' wheel arch liner and trunk liner product lines as well as its truck business are an ideal complement to Autoneum's product offerings. In the area of textile wheel arch liners, Borgers is the market leader in Europe. Borgers stands out for its sustainable and completely recyclable products, which are an ideal addition to Autoneum's sustainable Pure products. Both the liner of the wheel arch and the trunk are becoming more important from an acoustic perspective as electromobility advances because of the noise from the e-motor, which is often located in the rear, and the noise from the tires.

Thanks to Autoneum's global presence, there is further potential for synergies and revenue for profitable growth in the medium term with Borgers' product portfolio outside of Europe as well. In addition, Autoneum has agreed to new prices and delivery conditions with Borgers customers, with the aim of ensuring sustained profits and further development of product and process technologies in both the short and long term.

PERSONNEL CHANGES TO THE BOARD OF DIRECTORS AND GROUP EXECUTIVE BOARD

Rainer Schmückle, who has been a member of the Board of Directors, Chairman of the Audit Committee and member of the Strategy and Sustainability Committee since Autoneum became an independent company in 2011, is no longer standing for reelection at the Annual General Meeting of March 23, 2023. With his proven financial and industry expertise, he has made a significant contribution to the positioning and development of Autoneum. The Board of Directors thanks him sincerely for his great commitment and many years of cooperation and wishes him all the best for his future.

The Board of Directors of Autoneum Holding Ltd appointed Eelco Spoelder CEO in December 2022. On March 27, 2023, he will take over leadership of the Group from Matthias Holzammer, who will leave Autoneum for family reasons. Matthias Holzammer led Business Group Europe to higher profitability from 2012 to March 2019, has guided Autoneum through turbulent times as CEO since October 2019. New CEO Eelco Spoelder has demonstrated that he can ensure operational excellence and strategic continuity, even in a difficult market environment, in global management positions in the automotive supply industry at Faurecia and before that at Continental. Eelco Spoelder most recently led the very successful car seat business at Faurecia, with around 40 000 employees and revenue of EUR 6 billion.

BOARD OF DIRECTORS PROPOSES THAT NO DIVIDEND BE DISTRIBUTED

In view of the low net result, the Board of Directors will propose to the Annual General Meeting on March 23, 2023 that no dividend be distributed for the 2022 financial year.

FURTHER PROGRESS IN THE AREA OF CORPORATE RESPONSIBILITY

Autoneum looked at the Company's impact on the planet and people once again in 2022 and expanded its focus to include key topics, particularly in the area of supply chains. In addition, the related management and control processes were more firmly rooted throughout the entire organization. In line with Autoneum's strategy of increasing the use of renewable energies, five more plants were converted to renewable sources of energy in 2022. Furthermore, 33 plants worldwide were certified in accordance with ISO 50 001 (energy management) in order to better be able to track and control energy consumption in the future.

Autoneum submitted its declaration on joining the Science Based Targets initiative (SBTi) in the first half of the year. In doing so, the Company has set ambitious, science-based targets for the short-term reduction of CO₂ emissions that were validated in accordance with SBTi guidelines. Autoneum views its mission to advance sustainability as a long-term commitment for the future and will continue to implement appropriate measures even in the most challenging circumstances.

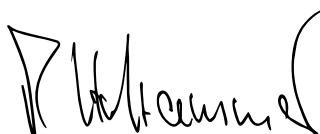
OUTLOOK

Global automotive production is forecast to increase by 3.3%¹ in 2023 compared to 2022. Autoneum anticipates production volumes in the different regions to develop in line with S&P market forecasts¹. Based on the forecast market development¹ and a successful closing of the Borgers acquisition², Autoneum expects total revenue of CHF 2.4 to 2.5 billion for the financial year 2023. The Company expects an EBIT margin of 3.5 to 4.5%² and a free cash flow in the higher double-digit million range for 2023.

Winterthur, February 28, 2023



Hans-Peter Schwald
Chairman of the Board



Matthias Holzammer
Chief Executive Officer

¹ Source: S&P Global Light Vehicle Production Forecast of February 16, 2023.

² This guidance is based on a successful closing of the Borgers acquisition by the end of March 2023, and includes expected Borgers figures from April 1 to December 31, 2023.

2022

Year in Review

Autoneum invested in further expanding its market and innovation leadership in acoustic and thermal management for vehicles, despite the challenges the global automotive industry continued to face in 2022. In addition to expanding its noise-insulating components to new applications around electric drives and installing a state-of-the-art cold chamber at its Swiss headquarters in Winterthur, Autoneum took another important step toward a sustainable future of mobility with the launch of its innovative, fully recyclable 100% polyester carpet systems. Furthermore, various plant anniversaries as well as numerous customer awards testified to the long-standing expertise and operational excellence at Autoneum's more than fifty production facilities worldwide.







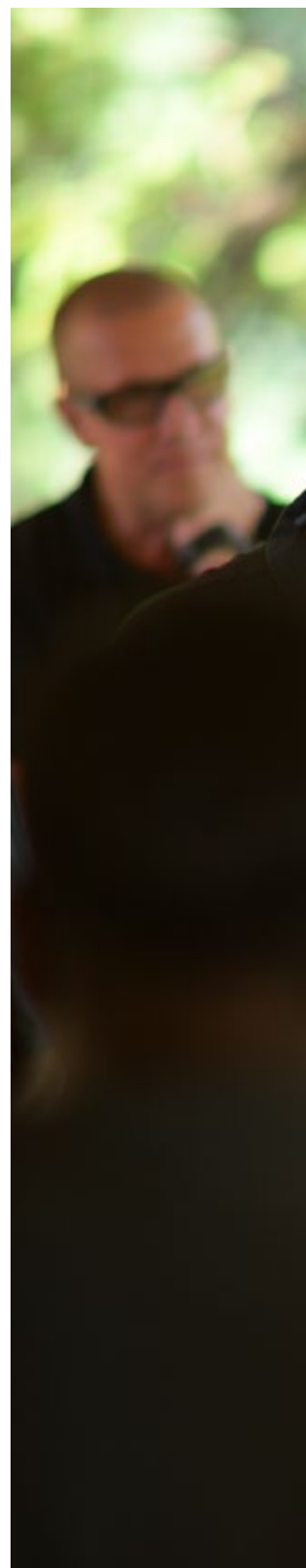
100% polyester – 100% recyclable

100% polyester, zero waste production, fully recyclable – Autoneum’s new monomaterial needlepunch and tufted carpet systems are setting sustainability standards. The innovative carpet systems build on the Company’s existing environmentally friendly Pure technologies, such as Relive-1, Di-Light and Hybrid-Acoustics PET. In addition to the high recycled raw material content of the carpets, their latex-free manufacturing process requires significantly less energy and no water at all. With its fully recyclable carpet systems, Autoneum enables vehicle manufacturers to tap into previously unexploited potential for end-of-life recycling of electric vehicles, thus offering customers what they need today to achieve their sustainability targets tomorrow.



Silver anniversary in Rosslyn

A quarter-century ago, Autoneum's joint venture plant in the South African city of Rosslyn opened its doors. The joint venture with Feltex Automotive was officially formed in July 1997. However, the collaboration between the two automotive suppliers goes back as far as the 1980s, when Autoneum – at that time still as a division of the Rieter Group – supported Feltex in manufacturing dampers. But it was Autoneum's expertise in producing lightweight, noise-reducing heatshields which laid the foundation for the plant's 25-year success story. Today, the site also manufactures LFT (long-fiber thermoplastic) components such as underfloor and under engine shields and also trades in inner dashes and wheelhouse outer liners produced in the plants of its joint venture partner. Numerous awards from long-time customer Toyota and successful cooperation with some of the world's largest German and Japanese vehicle manufacturers attest to the high-quality performance of the plant's approximately 70 employees. Congratulations, Rosslyn, on this important milestone!







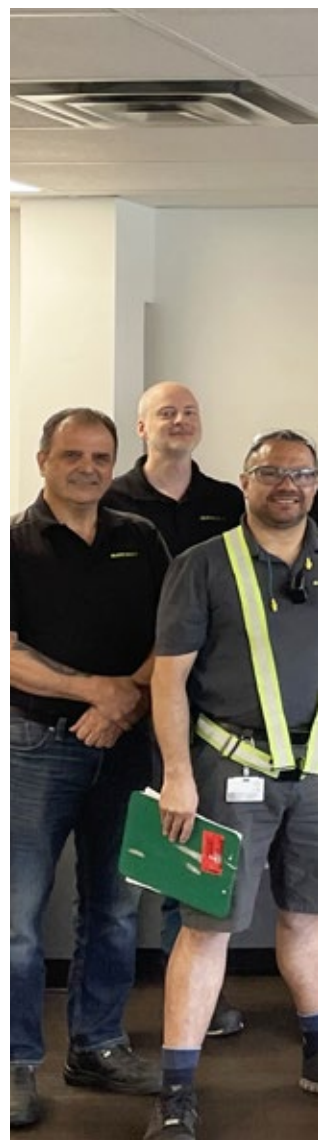
5 years of Yantai – established footprint in China

Five years ago, Autoneum opened its plant in the eastern Chinese city of Yantai to meet increasing demand in the world's largest automobile market. The location was inaugurated on November 9, 2017 and today supplies Chinese and South Korean customers with needlepunch carpets and inner dashes. In 2022, the plant produced, assembled and delivered a total of approximately one million interior components. Yantai was Autoneum's seventh plant to open its doors in China and the location was also the first to be honored by General Motors' Chinese joint venture Shanghai GM Dong Yue with the Best Supply Chain CAC (Customer, Agility, Collaboration) Award 2020 for its excellent performance in on-time delivery, service quality and supply chain management. Today, Yantai is one of ten Autoneum locations in China, including joint ventures, and thus part of the Company's well-established local production capacities. These serve as the solid basis for further expansion and the continuous increase of market share in this global key market.




The customer award goes to ...

Customer awards are an important means of validating the outstanding performance of Autoneum plants with regard to product and process quality. In 2022, numerous vehicle manufacturers across the globe again acknowledged Autoneum's operational excellence. Long-standing customer General Motors (GM) honored various plants in North and South America with the Supplier Quality Excellence Award for their extraordinary achievements in quality performance and customer service. The plant in Bloomsburg, USA, was selected as one of GM's top-performing supplier manufacturing locations for the fifth time since 2014, while Autoneum's Canadian locations in London and Tillsonburg received the award for the third consecutive year and the fourth and third time, respectively; for Gravataí, Brazil, it was the second recognition of this kind. Autoneum's Chinese joint venture plant in Guangzhou received Toyota's Superior Quality Award, and Volvo honored the plant in Sevelen, Switzerland, with its Quality Excellence Award and the location in Taicang, China, with the Excellent Supplier Award for Performance Improvement. In addition, Autoneum's Czech location in Choceň received its first Jaguar Land Rover Quality Award.







A vertical, close-up photograph of a car's body panel, likely a door or fender, showing condensation droplets on the surface. The image is in a cool, blue-toned color palette. The droplets are small and scattered, particularly concentrated in the lower half of the frame. The car's body lines and a door handle are visible in the upper and middle sections.

Hot topic – thermal management

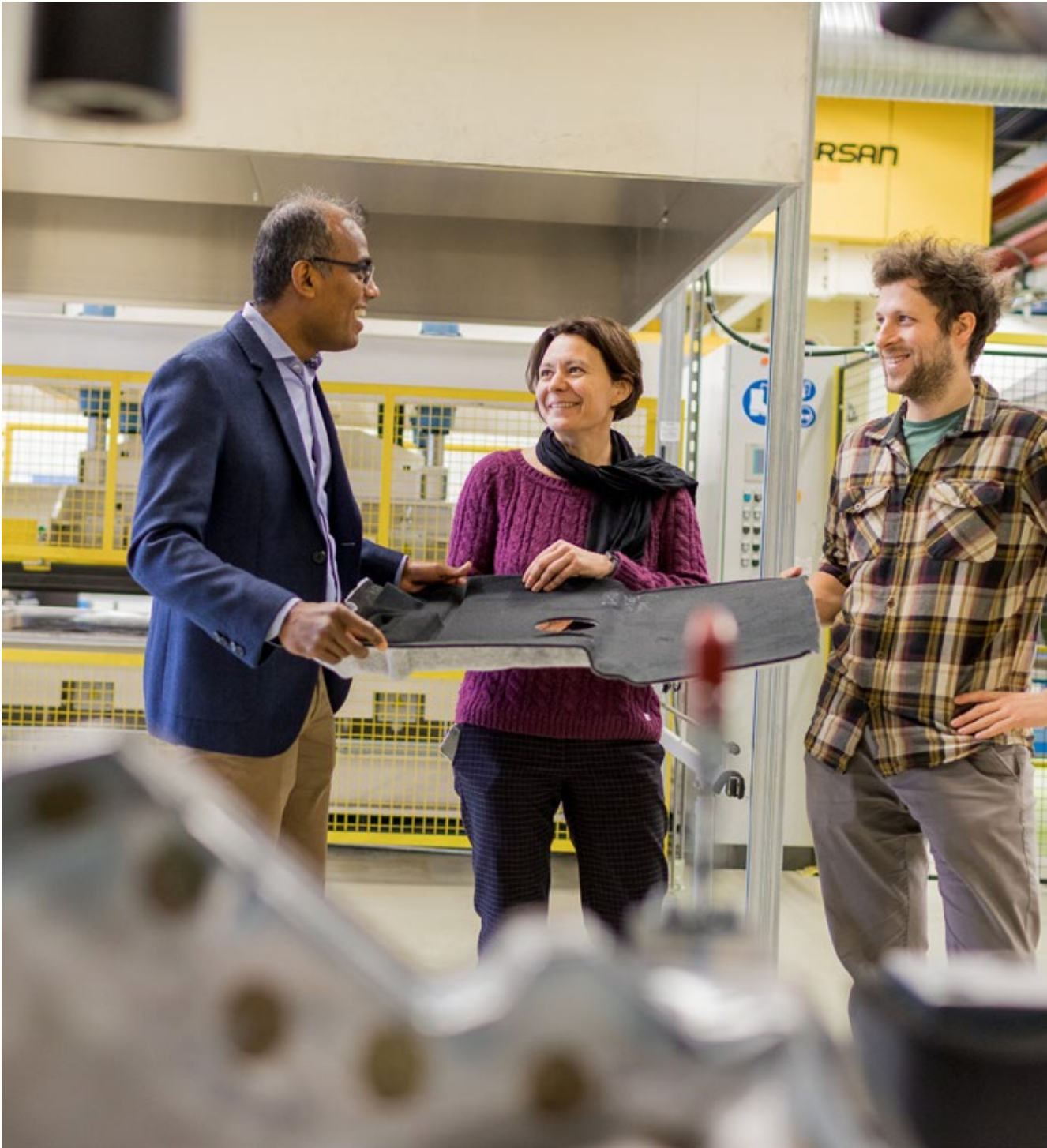
With a new state-of-the-art cold chamber at its headquarters in Winterthur, Switzerland, Autoneum is further expanding its capabilities and innovation leadership in vehicle thermal management. The tests and measurements of entire vehicles carried out in the chamber enable the Company to optimize existing technologies as well as simulation and engineering services and to adapt them to the changing thermal requirements of electric vehicles. With its tailor-made thermal management systems, Autoneum supports vehicle manufacturers in improving energy efficiency and thus battery performance and range, as well as the thermal comfort of occupants in e-cars. The new state-of-the-art test facility thus enables Autoneum to support its customers even more comprehensively in mastering the latest challenges in thermal management of electric vehicles in the future.

Noise protection for electric drives times three

With the share of pure electric cars in Autoneum's revenue growing fast, the Company is continuously optimizing its product portfolio for this vehicle category. With regard to automotive acoustics, disturbing noises such as the high-frequency sounds of e-motors and other electric devices and the whining noise of the gearbox pose new challenges for vehicle manufacturers. Anticipating the resulting increasing demand for sound-reducing components in both the front and rear of e-cars early on, Autoneum has extended its proven concepts for noise protection in the engine bay to new tailor-made applications related to electric drives. With its particularly sustainable, textile Pure technology Hybrid-Acoustics PET, and the two foam alternatives Hybrid-Acoustics FLEX and Fit FLEX, the Company offers three standardized technologies that are produced waste-free and reduce noise directly at the source. Offering both fiber- and foam-based products allows Autoneum to flexibly respond to customer preferences and needs in terms of material composition, sustainability, acoustic concept and cost.









Expert Networks – expanding technological leadership

Founded in 2013 by Autoneum's Research and Technology department, Expert Networks bring together cross-functional experts from all locations to share best practice examples and drive standardization in materials, products and processes. Each network has between 15 and 30 members, with some experts joining more than one network. These include materials, product, process, manufacturing, simulation, acoustics and quality engineers, as well as purchasing specialists. An important task of the teams is to identify the best raw materials and suppliers that will enable Autoneum to manufacture products with a lower carbon footprint. For example, the Carpet and Felt & Fiber networks are working to promote the use of yarns and fibers with increased recycled content, such as those used in products like Relive-1 and Di-Light. The nine expert networks, with a total of 140 members, are each headed by a proven expert. Their activities in 2022 focused primarily on optimizing material utilization and increasing the recycled content in products.

Launch of the Autoneum Women's Network

Autoneum took International Women's Day on March 8, 2022 as an opportunity to launch the first in-house Women's Network. In this way, the Company offers female employees worldwide a platform to better network with each other, share experiences and knowledge and inspire each other in the cross-regional and cross-functional exchange of ideas. In 2022, two presentations were organized, followed by roundtable discussions on topics such as career development, work-life balance and female leadership. In addition, the Autoneum Women's Network organized a voluntary peer networking program. As a Company with operations spanning four continents, Autoneum employs people from a large variety of national, ethnic, cultural and personal backgrounds. Diversity & Inclusion go hand in hand with Autoneum's corporate value of "living a global spirit" and are part of the Company's Advance Sustainability Strategy 2025.

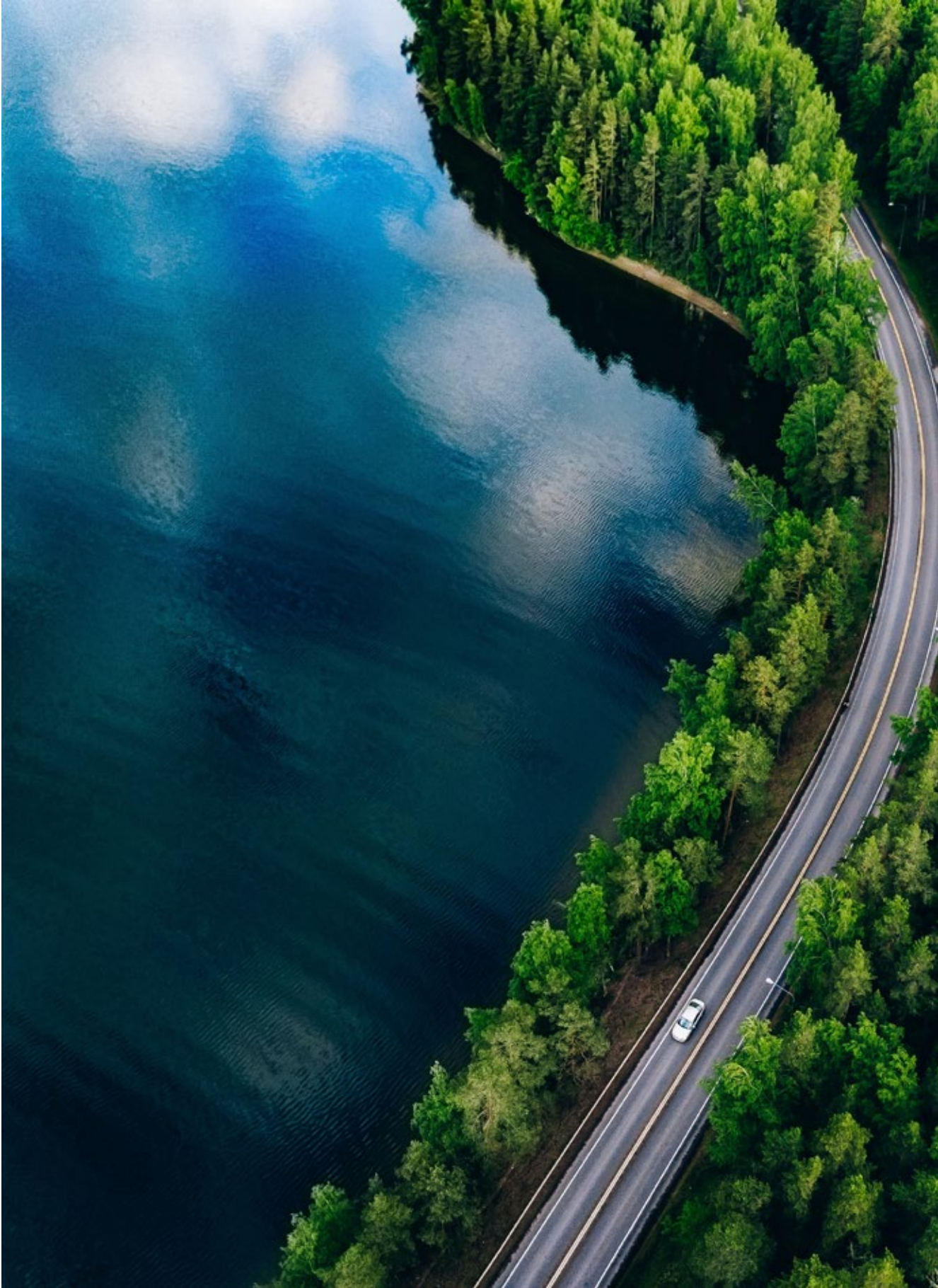






10 years of the Development Center Katowice in Poland

Autoneum's Development Center in Katowice, Poland, celebrated its tenth anniversary in September 2022. The center's history began with just five employees who invested their time and expertise in acoustic and thermal management to develop interior components for one of the largest German vehicle manufacturers. A decade later, the Development Center in Katowice employs 45 engineers and other staff in various roles. The center in Poland is one of a total of seven Autoneum Development Centers in Europe, North and South America, and Asia. The facility has a prototype workshop and a measurement laboratory where the Company's own experts develop, test and produce customized lightweight components for the engine bay and vehicle interior.





Working on behalf of people and the environment

Autoneum views its commitment and its efforts to treat the environment, people and society responsibly as part of its long-term obligation to future generations. As part of its Advance Sustainability Strategy 2025, a number of projects and measures were implemented again in 2022 in order to meet the comprehensive Group-wide environmental, social and ethical goals. In 2022, Autoneum joined the Science Based Targets initiative (SBTi), setting ambitious, science-based goals to reduce CO₂ emissions in the short term.

214

In 2022, Autoneum employees carried out 214 eco-efficiency projects worldwide.

67

In 2022, employees were engaged in 67 social projects worldwide.

32

32 plants were certified according to ISO 45001, the international standard for occupational health and safety.

ECO-EFFICIENT PRODUCTION PROCESSES

Autoneum works continuously to improve its environmental performance by using less energy and water in its production processes and reducing and recycling any waste materials resulting from these processes. In order to improve the Company's environmental performance, Autoneum has also undertaken to reduce its Scope 3 emissions from goods and services purchased from suppliers by 20% compared with 2019 by 2027. In 2022, the Company contributed to environmentally-friendly production with 214 eco-efficient projects at 37 locations and introduced further energy efficiency measures and recycling methods for raw goods and materials used in the production process at several locations. In addition, solar panels have been installed at five Chinese plants, which the plants will use in the future to generate electricity from a renewable energy source. In order to improve the Company's environmental performance with respect to energy management, the certification process has been continued and 30 additional Autoneum plants have been certified in accordance with ISO 50001. As a result, the vast majority of locations are now certified in accordance with ISO 50001. In 2022, Autoneum launched innovative environmentally-friendly carpet systems made entirely of polyester that have a high proportion of recycled materials. The production of these new mono-material needlepunch and tufted carpets requires substantially less energy and absolutely no water, which increases their sustainability level.

OCCUPATIONAL HEALTH AND SAFETY

Autoneum posted another decline in the number of accidents in 2022, with the accident rate falling sharply, down by 26.5%. In order to ensure the health and safety of employees at all of the Company's locations, regular training sessions, improvement projects and ergonomic studies were conducted at all plants again in 2022. Particular emphasis was placed on preventive measures to avoid injuries. To this end, quarterly security campaigns addressing 90% of the causes of accidents during the previous year were carried out. The security campaigns provided employees with important information about safe conduct in the workplace. In addition with, project team members were provided with training regarding the implementation of health and safety requirements when starting new customer projects. In 2022, one more plant received the ISO 45001 certificate, the leading international standard for occupational health and safety. Thus, a total of 32 Autoneum plants are ISO 45001 certified.

EMPLOYEE DEVELOPMENT

Employees are Autoneum's most important resource. An engaged, motivated and culturally diverse workforce is the key to the Company's long-term business success. Autoneum continued its activities to promote employee engagement and development in 2022. The key areas that affect employee engagement at Autoneum decisively, which were determined on the basis of a global employee survey, are feedback, recognition and development. Workshops were held around the world to train management teams to manage employees on the basis of the Company's global competency model and to promote engagement through increased

ciency

feedback and recognition. Training on basic management and communication skills was provided as part of the annual global process to measure performance (performance management). Autoneum offers employees various development opportunities. For example, a new offering of online training sessions in the areas of management, communication, project management, teamwork and collaboration was launched.

COMPLIANCE

Autoneum aims to act in an exemplary and ethical manner both within the Company and in all business relations. The value basis for all actions is the Code of Conduct, which is binding for all employees and whose implementation is managed through a comprehensive Compliance Management System (CMS) and the guidelines, processes and objectives defined within it. The global Compliance Risk Assessment is used to evaluate the development status of the CMS on a continuous basis and to identify potential for improvement. As in the previous year, in 2022 managers were once again made aware of their role as models and the need for appropriate conduct when interacting with employees (“tone at the top”). With regular training for all staff on the Code of Conduct and on topics such as conflicts of interest, sexual harassment in the workplace, competition law, data protection and cybercrime, preventive action was taken again in 2022 to ensure that Autoneum employees do not put themselves or the Company at risk as a result of inappropriate conduct. In 2022, special focus was placed on the duty of care in the supply chain, and on handling conflicts of interest. Internal rules and conduct were strengthened in both areas.

SOCIAL ENGAGEMENT

With more than 50 locations in 24 countries, collaborative relationships with local communities are of great importance for Autoneum. With 91 social and environmental projects in 2022, the Company once again helped to make the public aware of sustainability issues and targets and develop long-term relationships with local stakeholders. For example, Autoneum employees in Chennai, India, planted trees near their work location, and in China 25 employees in Yantai cleared trash on a 10-kilometer stretch of beach near the plant, before disposing of the waste properly. Employees at the two Autoneum production facilities in San Luis Potosí, Mexico, collected food for a local nursing home last year. In addition to a number of food donations, the residents also enjoyed an afternoon story hour. Thanks to the efforts of the factory in Behror (Rajasthan), India, students at the local government school received hygienic sanitary facilities and access to running water. Autoneum also helped to renovate the school’s roof, floor and kitchen. Employees at the Gundershausen location in Germany organized a donation campaign for those affected by flash floods that devastated villages in the Ahr Valley. In the South African city of Rosslyn, Autoneum employees helped a local children’s home by collecting several boxes of useful everyday items, such as baby food, clothing and children’s toys. The donations by employees were doubled at the end of the collection campaign by plant management.

CORPORATE RESPONSIBILITY ORGANIZATION

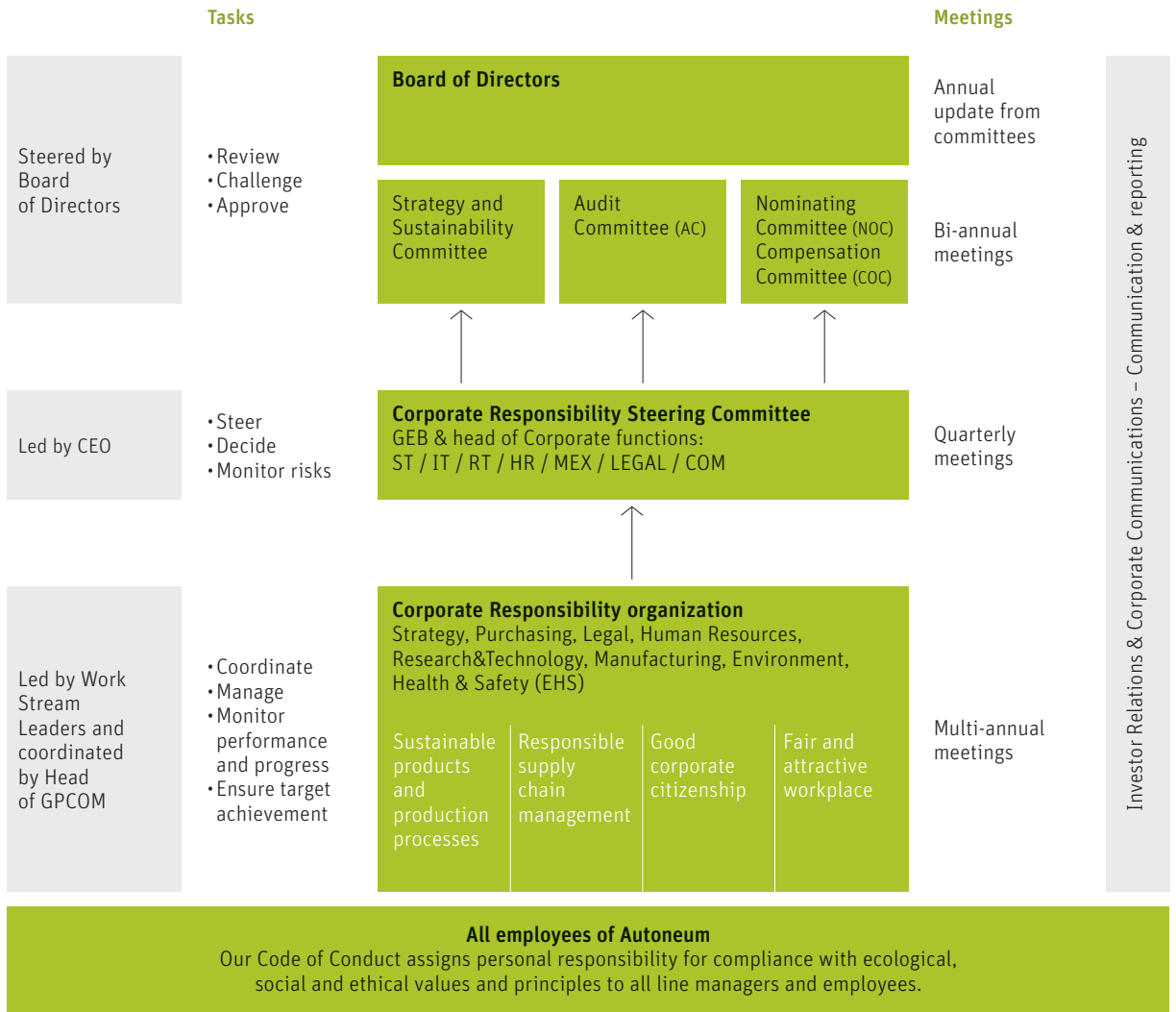
The Advance Sustainability Strategy 2025 is an integrative part of Autoneum's corporate strategy. It defines the Company's long-term vision in four dimensions of Corporate Responsibility: sustainable products and production processes, responsible supply chain management, good corporate citizenship and fair & attractive workplace. Each dimension contains a set of strategic goals that are supported by operational targets. The Corporate Responsibility Organization is responsible for the operational implementation of the Advance Sustainability Strategy 2025. This includes ensuring achievement of targets by anticipating early actions and monitoring progress. Implementation is carried out systematically in collaboration with corporate functions at the global and regional level. Members of the functional areas Research & Technology; Strategy; Production; Purchasing; Environment, Health & Safety (EHS); Human Resources and Legal & Compliance are represented in the Corporate Responsibility Organization.

The Code of Conduct assigns personal co-responsibility for environmental, social and ethical issues to all employees. The Corporate Communications and Investor Relations departments ensure communication of the Corporate Responsibility strategy to internal and external target groups.

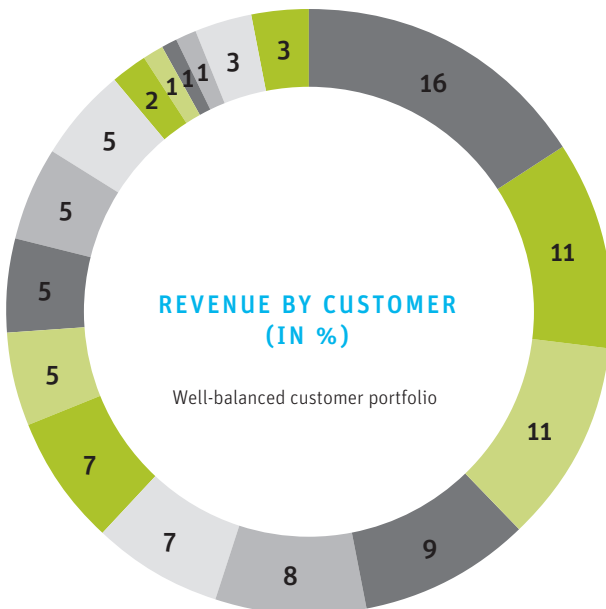
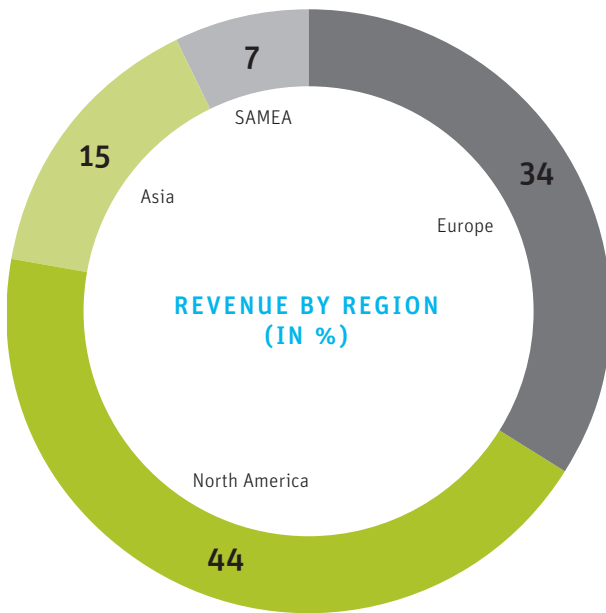
The activities of the Corporate Responsibility Organization are managed by the Corporate Responsibility Steering Committee. This committee is composed of members of the Group Executive Board and meets four times a year under the chairmanship of the CEO. The committee monitors implementation of the Advance Sustainability Strategy 2025, continuously reviews potential risks in the area of Corporate Responsibility and defines important measures.

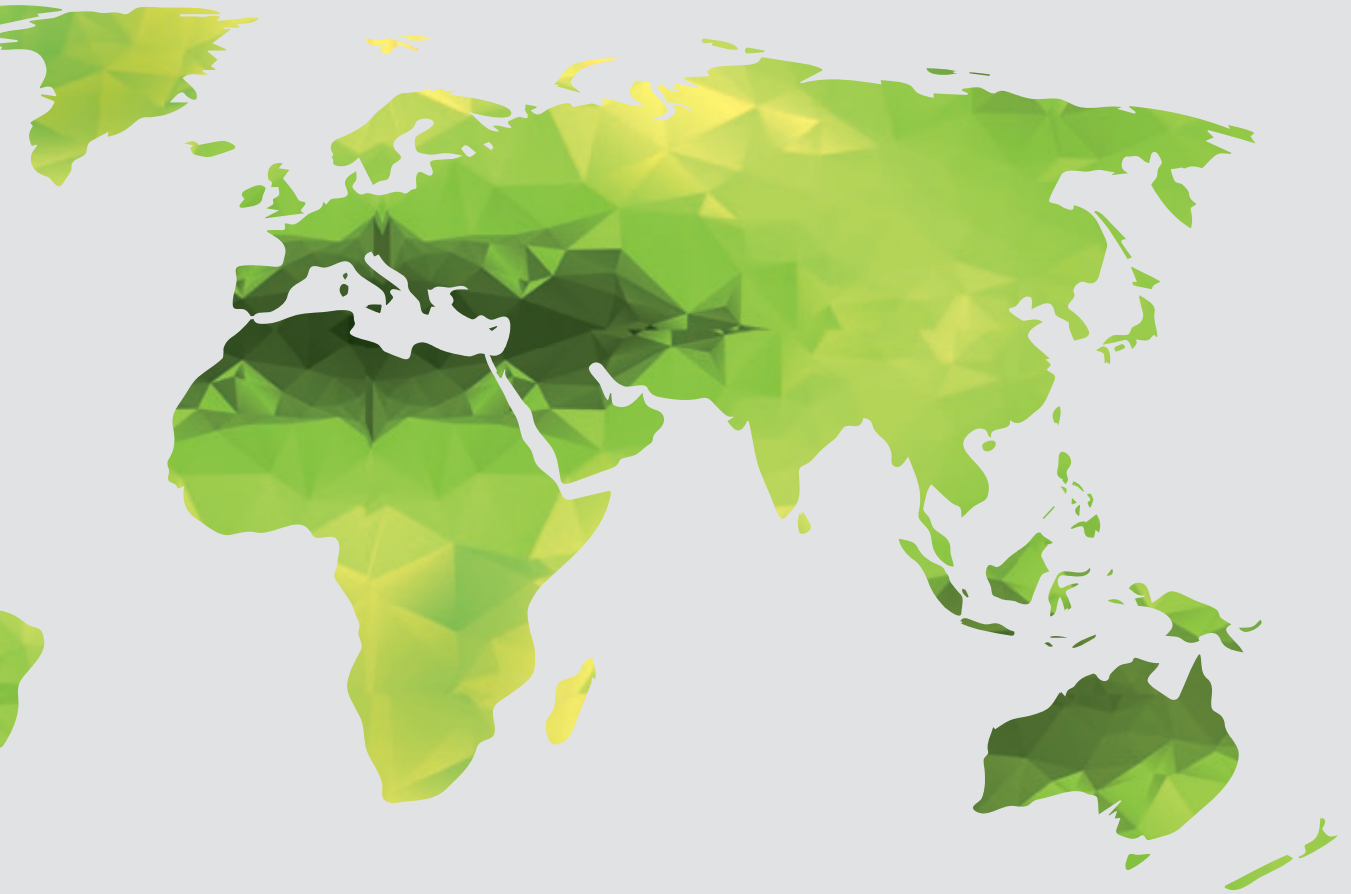
The Board of Directors has been involved in voting and decision-making (see illustration on the right). The various sustainability topics are prepared in the committees together with the management. In the future, the Strategy and Sustainability Committee will support and accompany the Board of Directors in all sustainability topics that concern the planet. These include sustainable processes, products, technologies, supply chain management, environmental risks and reduction of greenhouse gas emissions. Risks and issues related to conflict materials and child labor are addressed in the Audit Committee (AC). All topics relating to people, human rights and employee development are referred to the Nomination Committee (NC) and the Compensation Committee (CC). The committees meet at least twice a year. The full Board of Directors decides once a year on the results and proposals of the committees in relation to the Advance Sustainability Strategy 2025.

INTEGRATION OF CORPORATE RESPONSIBILITY IN THE COMPANY ORGANIZATION



Markets and Customers





NORTH AMERICA

Canada
· London, Ontario
· Tillsonburg, Ontario

Mexico
· San Luis Potosí
· Silao

USA
· Aiken, South Carolina
· Bloomsburg, Pennsylvania
· Jeffersonville, Indiana
· Novi, Michigan
· Oregon, Ohio
· Downers Grove, Illinois
· Jackson, Tennessee
· Monroe, Ohio
· Somerset, Kentucky
· Valparaiso, Indiana

EUROPE

Belgium
· Genk

Czech Republic
· Bor
· Choceň
· Hnátnice

France
· Aubergenville
· Blainville
· Lachapelle-aux-Pots
· Moissac
· Ons-en-Bray

Germany
· Munich
· Rossdorf-Gundernhausen
· Sindelfingen

Hungary
· Komárom

Poland
· Katowice
· Nowogard

Portugal
· Setúbal

Russia
· Ryazan

Spain
· A Rúa
· Sant Cugat del Vallés

Sweden
· Gothenburg

Switzerland
· Sevelen
· Winterthur (HQ)

United Kingdom
· Halesowen
· Heckmondwike
· Stoke-on-Trent

SAMEA*

Argentina
· Córdoba

Brazil
· Gravataí
· São Paulo
· Taubaté

South Africa
· Rosslyn
· Durban

Turkey
· Bursa

ASIA

China
· Chongqing
· Dadong
· Pinghu
· Shanghai
· Taicang
· Tiexi
· Yantai
· Guangzhou
· Tianjin
· Wuhan
· Fuzhou

India
· Behror
· Chennai

Indonesia
· Karawang

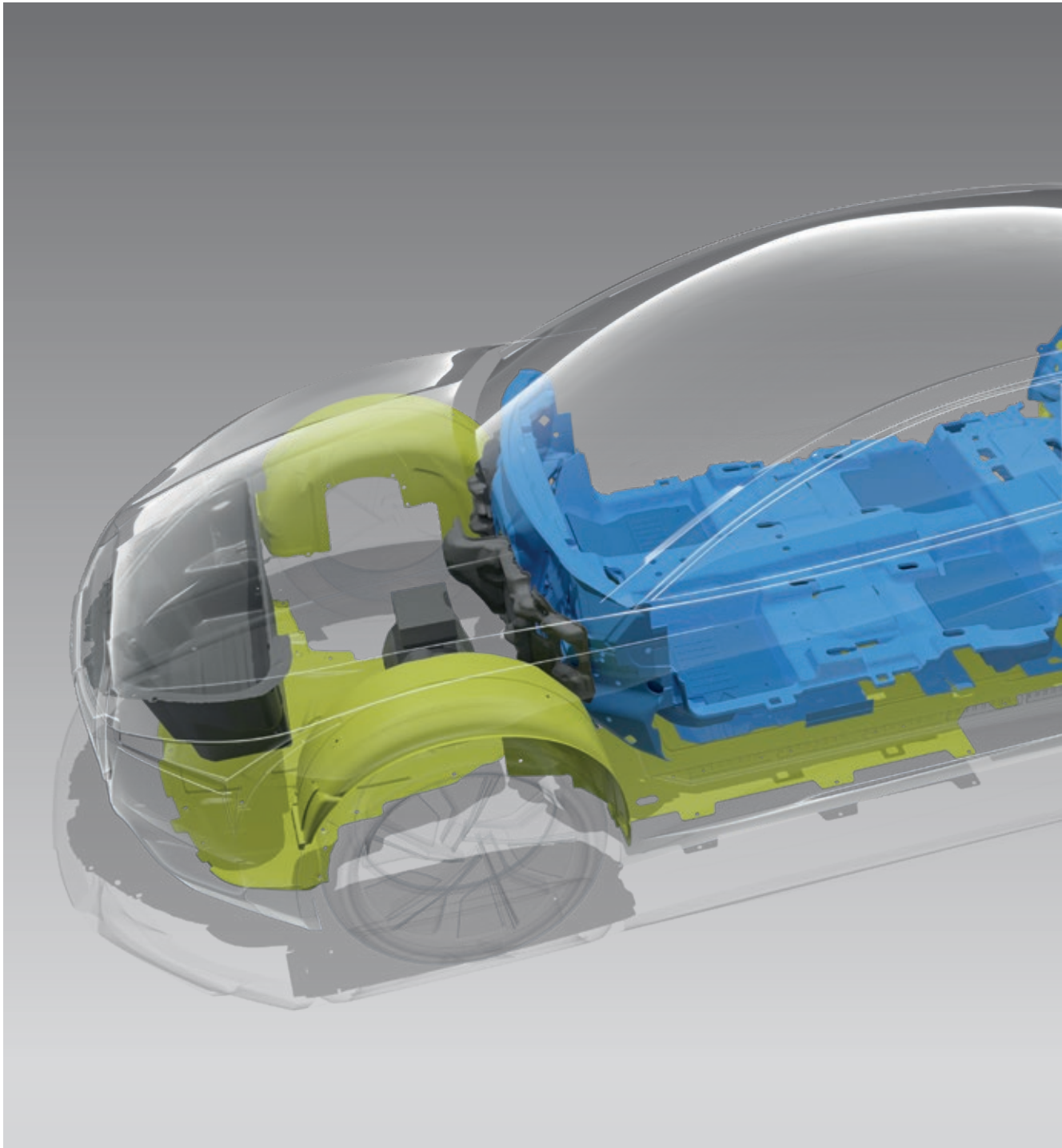
Japan
· Oguchi
· Tokyo

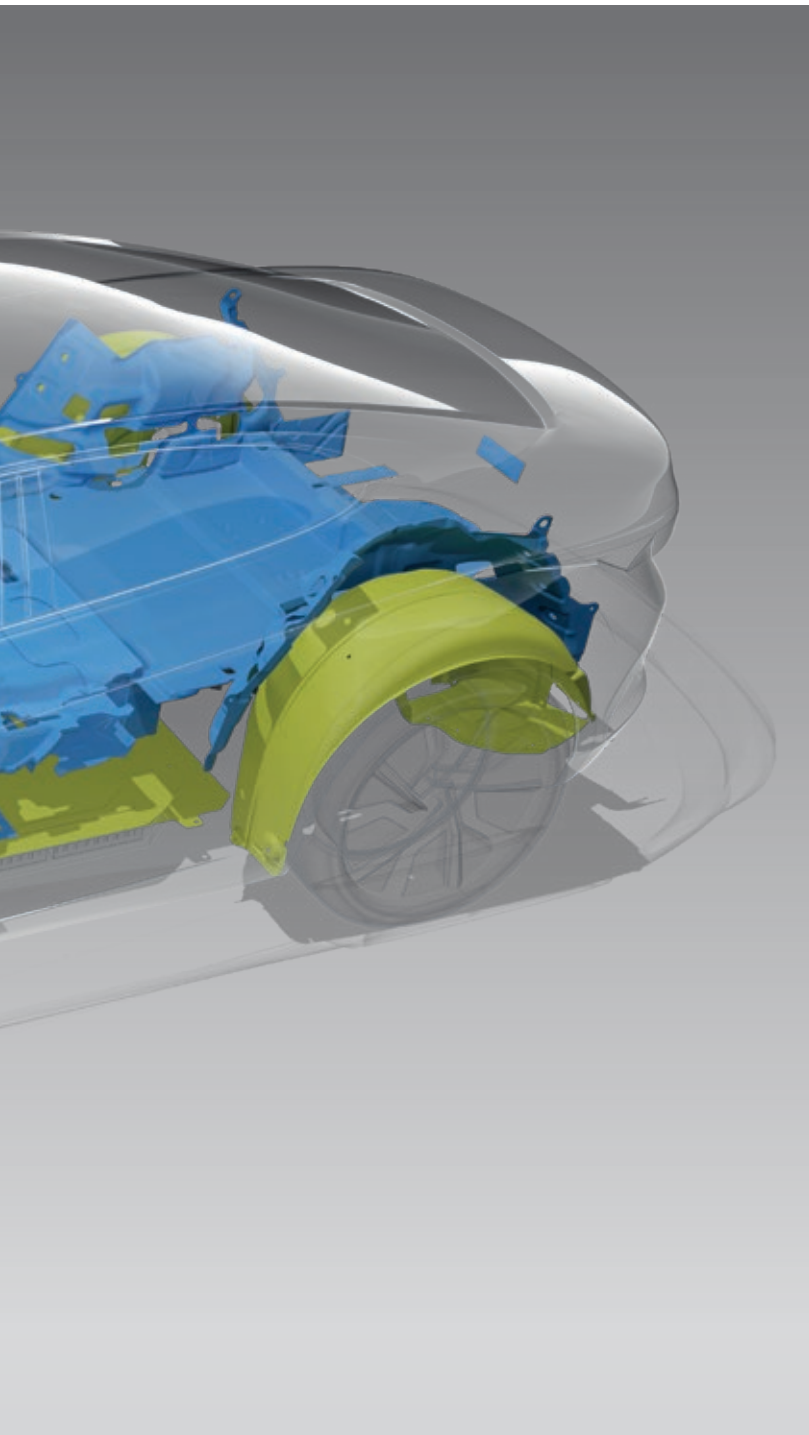
Malaysia
· Shah Alam

South Korea
· Seoul

Thailand
· Laem Chabang
· Chonburi

Our Product Portfolio





Exterior

ENGINE BAY

- Frunk
- Engine* and E-Motor Encapsulations
- Outer Dashes
- Outer Trunk Floor Insulators
- Hoodliners
- Engine Top Covers*

UNDERBODY

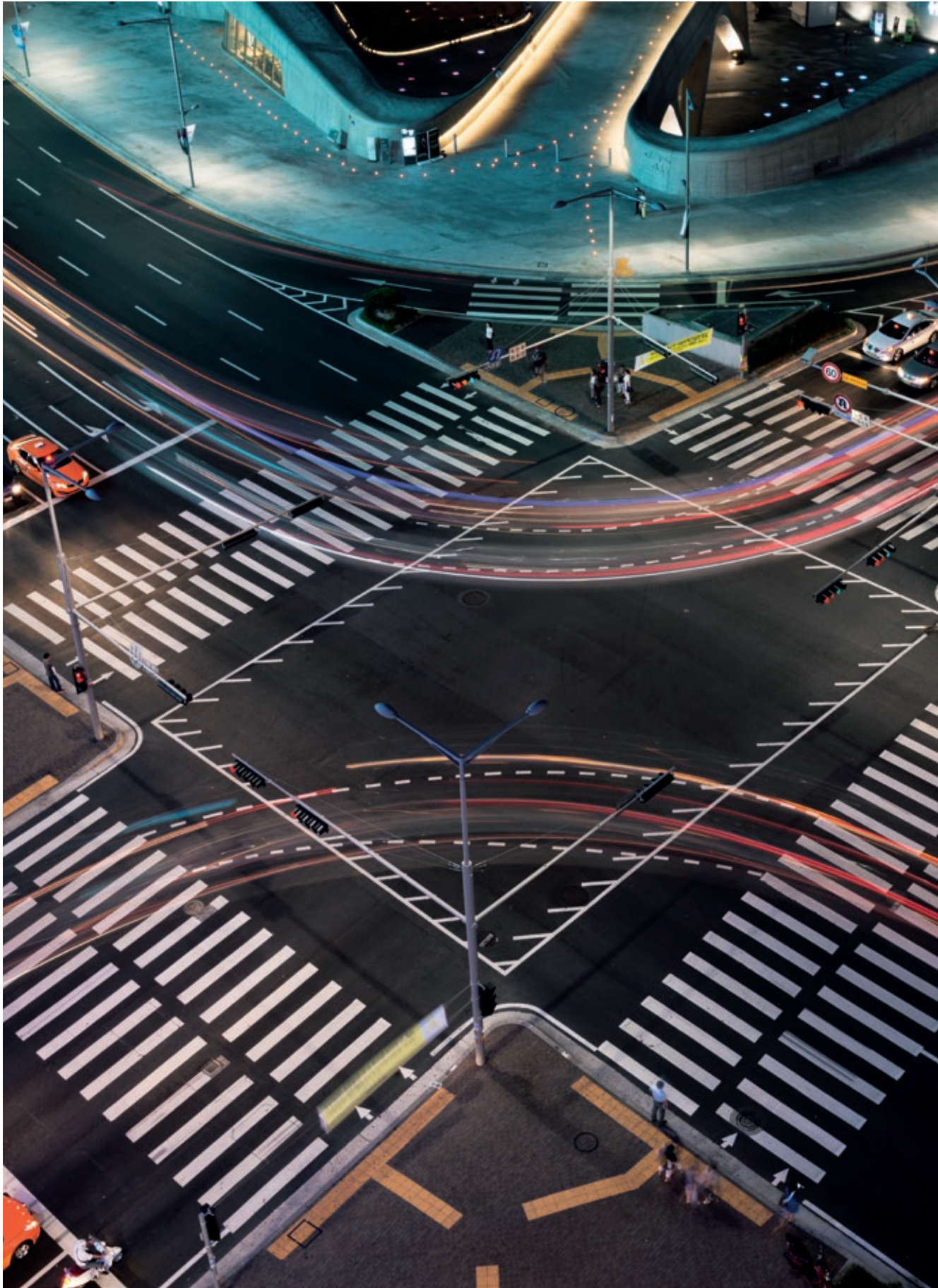
- Under Floor and Under Engine Shields
- Under Battery Shields
- Wheelhouse Outer Liners
- Outer Tunnel Insulators*
- Heatshields*
- Battery Electromagnetic Shields

Interior

INTERIOR FLOOR

- Inner Dashes
- Needlepunch Carpets
- Tufted Carpets
- Floor Insulators
- Inner Wheelhouse Insulators
- Floor Mats
- Dampers
- Inner Trunk Floor Insulators
- Trunk Trims

* Components specifically for vehicles with combustion drive.





Corporate Governance

The rules and regulations of Corporate Governance are laid out in numerous Autoneum documents, in particular the Articles of Association*, the Organizational Regulations* and the Board Committee Regulations*. The content and structure of this report conform to the Directive Corporate Governance (DCG) and the related Guideline published by the SIX Swiss Exchange. Unless stated otherwise, the data pertains to December 31, 2022. Some information will be updated regularly on www.autoneum.com/investor-relations and www.autoneum.com/de/corporate-responsibility. For some information readers are referred to the financial section of this Annual Report. The Remuneration Report can be found from page 131 onwards.

* www.autoneum.com/investor-relations/corporate-governance

1 GROUP STRUCTURE AND SHAREHOLDERS

GROUP STRUCTURE

Autoneum Holding Ltd is a company incorporated under Swiss law, with its registered offices in Winterthur. Its shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN). Market capitalization as of December 31, 2022 was CHF 473.1 million.

Autoneum Group consists of the four Business Groups Europe, North America, Asia and SAMEA (South America, Middle East and Africa), the Group Finance department and those corporate functions that report directly to the CEO. It includes all companies controlled by Autoneum Holding Ltd. Within the framework of internal regulations, the Business Groups are responsible for the profitability of each individual company with the exception of those business activities and companies that report directly to the CEO. Each Business Group has been established for a clearly defined and demarcated specific market region. Each of these Business Groups conducts its business within the framework of the Organizational Regulations* and under the leadership of the Business Group Head, who reports directly to the CEO of the Autoneum Group. The segment reporting information can be found on pages 85–87.

The Group Finance department and those corporate functions that report directly to the CEO support the CEO, the Business Group Heads and the Board of Directors in their management and supervisory functions, and are responsible for the activities outside the Business Groups, such as management of holding companies and pension funds. Subsidiary companies are founded based on legal, business and financial considerations. One person (Head of Legal Unit) is appointed for each company and is responsible for local financial management as well as for compliance with national laws and regulations and internal guidelines. Companies with participation of further shareholders are principally managed as described above, however taking into consideration the respective agreements.

41 companies worldwide belonged to the Autoneum Group as of December 31, 2022. An overview on subsidiaries comprising the names, domiciles and share capital of the subsidiaries and the voting rights held by the Autoneum Group can be found on page 112. The management organization of the Autoneum Group is independent of the legal structure of the Group and the individual companies.

SIGNIFICANT SHAREHOLDERS

As of December 31, 2022 Autoneum was aware of the following shareholders with 3% or more of all voting rights in the Company:

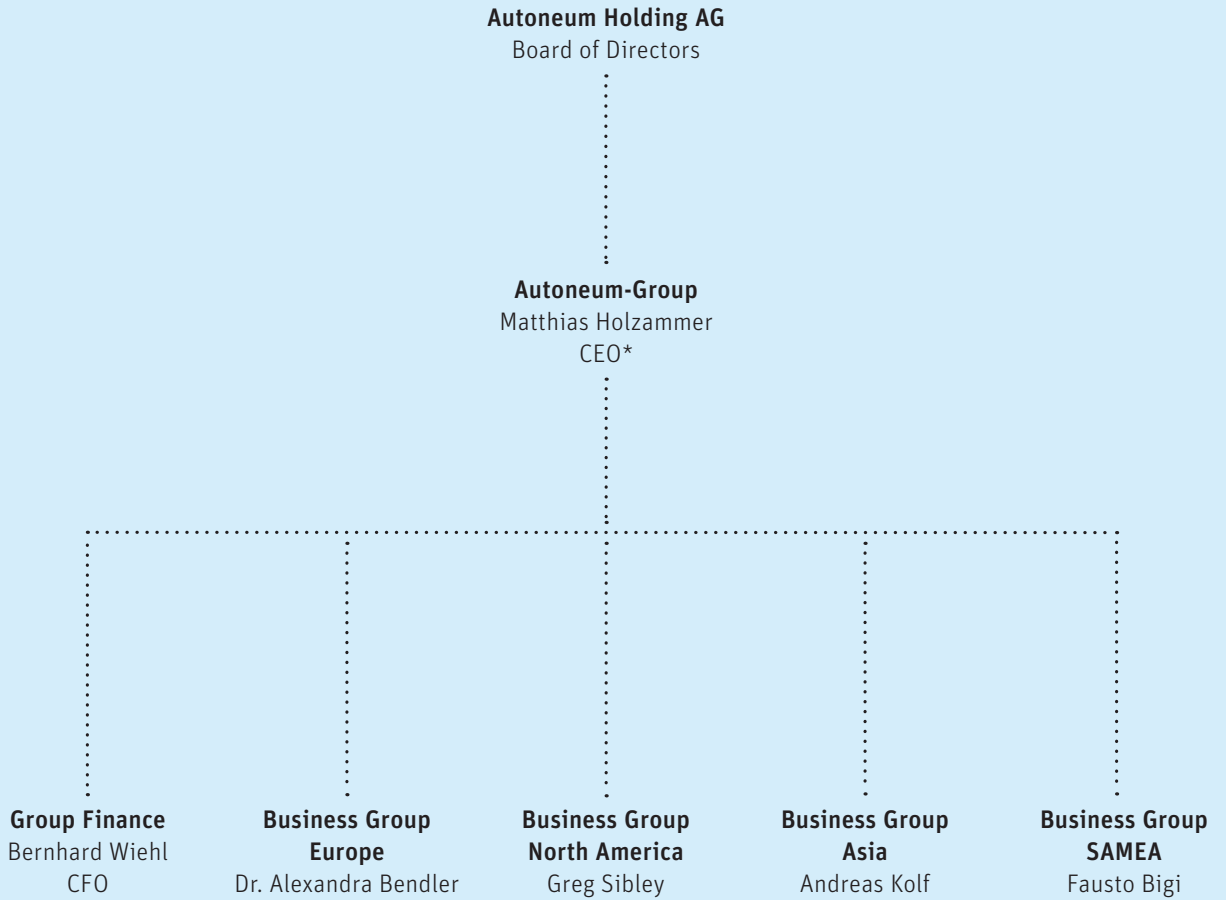
- Artemis Beteiligungen I Ltd, Hergiswil, Switzerland; and Michael Pieper, Hergiswil, Switzerland: 22.62%
- PCS Holding Ltd, Frauenfeld, Switzerland; and Peter Spuhler, Warth-Weiningen, Switzerland: 16.17%
- Martin Haefner, Erlenbach, Switzerland: 3.09%

All notifications of shareholders with 3% or more of all voting rights in the Company have been reported to the Disclosure Office of the SIX Swiss Exchange in accordance with Art. 120f of the Financial Market Infrastructure Act (FMIA) and published via its electronic publication platform on www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/, where further details can also be found. As of December 31, 2022 Autoneum Holding Ltd held 0.73% of the share capital (34 278 shares).

* www.autoneum.com/investor-relations/corporate-governance

ORGANIZATION

As of December 31, 2022



*Until March 27, 2023, followed by Eelco Spoelder

CROSS-HOLDINGS

The Company has no information about cross-holdings of capital or voting shares exceeding the limit of 5% on both sides.

2 CAPITAL STRUCTURE

SHARE CAPITAL

On December 31, 2022 the share capital of Autoneum Holding Ltd totaled CHF 233 618.15. It was divided into 4 672 363¹ fully paid-up registered shares with a par value of CHF 0.05 each. The shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN).

AUTHORIZED SHARE CAPITAL

There is no authorized share capital available at Autoneum Holding Ltd.

CONTINGENT CAPITAL FOR ISSUING CONVERTIBLE AND/OR WARRANTY BONDS OR GRANTING SHAREHOLDER OPTIONS

The share capital may be increased by up to 700 000 fully paid-up registered shares with a nominal value of CHF 0.05 each in an amount not to exceed CHF 35 000 or 14.98% through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar financial instruments by the Company or one of its Group companies on national or international capital markets, and/or through the exercise of option rights granted to the shareholders. The preemptive rights of the shareholders on the issuance of bonds or other financial instruments with which conversion rights and/or warrants are connected shall be excluded. The then current owners of conversion rights and/or warrants shall be entitled to subscribe to the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

The acquisition of shares through the voluntary or mandatory exercise of conversion rights and/or warrants as well as each subsequent transfer of shares are subject to the restrictions in §4 of the Articles of Association*.

In connection with the issuance of bonds or similar financial instruments with which conversion rights and/or warrants are connected, the Board of Directors is empowered to restrict or exclude the advance subscription rights of shareholders if (1) such instrument is issued for the financing or refinancing of the acquisition of corporations, parts thereof, equity holdings or investments or if (2) such instrument is issued (i) on national or international capital markets or (ii) to one or more financial investors. If the advance subscription rights are restricted or excluded by the Board of Directors, the following shall apply: The issuance of such instruments shall be made at prevailing market conditions, and the new shares shall be issued pursuant to the relevant conditions of that financial instrument. Conversion rights may be exercised during a maximum ten-year period, and warrants may be exercised during a maximum seven-year period, in each case from the date of the respective issuance. The issuance of the new shares upon voluntary or mandatory exercise of conversion rights and/or warrants shall be made at conditions taking into account the market price of the shares and/or comparable instruments with a market price at the time of issuance of the relevant financial instrument.

CONTINGENT CAPITAL FOR EMPLOYEE PARTICIPATION SHARES

The share capital may be increased by a maximum of CHF 12 500 or 5.35% through the issuance of up to 250 000 fully paid-up registered shares with a par value of

¹ In a media release dated January 9, 2023, Autoneum announced a capital increase of around CHF 100 million for financing of the acquisition of the automotive business of Borgers, which was announced to the public on the same day.

* www.autoneum.com/investor-relations/corporate-governance

CHF 0.05 each to employees of the Company or its Group companies. The preemptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing bonds or similar financial instruments. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and will take appropriate account of employee performance, position and degree of responsibility and economic viability criteria subject to §24 of the Articles of Association*. Shares or options may be issued to employees at a price lower than that quoted on the stock exchange.

The acquisition of shares within the framework of the employee participation plan, as well as every subsequent transfer of these shares, is subject to the limitations set forth in §4 of the Articles of Association*.

CHANGES IN SHARE CAPITAL

There have been no changes to the share capital of Autoneum Holding Ltd since the Company's founding on December 2, 2010. The General Meeting of March 22, 2011 adopted a contingent share capital of CHF 35 000 (see page 46) and a contingent share capital of CHF 12 500 (see page 46f).

In a media release dated January 9, 2023, Autoneum announced a capital increase of around CHF 100 million for financing of the acquisition of the automotive business of Borgers, which was announced to the public on the same day.

PARTICIPATION AND DIVIDEND-RIGHT CERTIFICATES

Autoneum Holding Ltd has issued neither participation certificates nor dividend-right certificates.

SHARES

Autoneum Holding Ltd has issued 4 672 363² fully paid-up registered shares with a nominal value of CHF 0.05 each. Each registered share is entitled to dividends and entitles the holder to one vote at General Meetings of Autoneum Holding Ltd shareholders. The Board of Directors maintains a share register in which the owners and usufructuaries are registered with name/company name and address with the following conditions. Only those persons listed in the share register will be recognized as company shareholders or usufructuaries. Any changes of name or address must be communicated to the Company. Those who acquire registered shares must make written application for entry in the share register. The Company can refuse such entry to parties who do not expressly declare that they have acquired and will hold these registered shares in their own names and for their own account. If persons fail to expressly declare in their registration applications that they hold the shares for their own account ("nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the nominee has entered into an agreement with the Company concerning his or her status, and further provided that the nominee is subject to a recognized bank or financial market supervision. After hearing the registered shareholder or nominee, the Board of Directors may cancel any registration in the share register made based on incorrect information with retroactive effect as of the date of registration. The relevant shareholder or nominee must be informed immediately of the cancellation. The Board of Directors regulates the details and issues the instructions necessary for compliance with the provisions set forth above. In special cases, the Board of Directors may grant exemptions from the rule concerning nominees and may delegate its duties.

² In a media release dated January 9, 2023, Autoneum announced a capital increase of around CHF 100 million for financing of the acquisition of the automotive business of Borgers, which was announced to the public on the same day.

* www.autoneum.com/investor-relations/corporate-governance

The Company only recognizes one proxy per share. Voting rights and associated rights may only be exercised in relation to the Company by a shareholder, usufructuary or nominee entered in the share register as having the right to vote.

The registered shares of Autoneum Holding Ltd are issued in the form of securities and registered as book-entry securities (in the sense of the Book-Entry Securities Act) at SIX SIS Ltd. Book-entry securities with underlying shares of the Company may not be transferred by way of assignment. Security interests for these book-entry securities cannot be granted by means of assignment. The Company is entitled to convert at any time and without the approval of shareholders' shares issued in the form of uncertificated securities into individual share certificates or global share certificates. Shareholders are not entitled to have shares issued in one particular form transformed into another form. Any shareholder is, however, entitled to request at any time that the Company issue a certificate stating the number of shares registered in his or her name.

RESTRICTIONS ON SHARE TRANSFERS AND NOMINEE REGISTRATIONS

Those persons entered in the shareholders' register are recognized as voting shareholders. Autoneum shares can be bought and sold without any restrictions. In accordance with §4 of the Articles of Association*, entry in the register of shareholders can be denied in the absence of an explicit declaration that the shares are held in the applicant's own name and for the applicant's own account. There are no other registration restrictions.

Shares held in a fiduciary capacity are not principally entered in the shareholders' register. However, as an exception to this rule, a nominee is entered in the register if the nominee in question has concluded a nominee agreement with Autoneum and is subject to a recognized bank or financial supervisory authority. The nominee exercises voting rights at the Annual General Meeting of shareholders. At the request of Autoneum Holding Ltd, the nominee is obliged to disclose the name of the person on whose behalf it holds shares.

A resolution of the General Meeting approved by the absolute majority of the voting shares represented is required in order to cancel the restrictions on share transfers.

CONVERTIBLE BONDS AND OPTIONS

Autoneum Holding Ltd has no convertible bonds or options outstanding.

BOARD OF DIRECTORS PROPOSES WAIVER OF DIVIDENDS

Based on the Group's net result 2022, the Board of Directors proposes at the Annual General Meeting to be held on March 23, 2023 to waive the distribution of dividends (for the financial year 2021: dividend of CHF 1.50 per share).

3 BOARD OF DIRECTORS

The composition, general rights, duties and responsibilities of the Board of Directors of Autoneum Holding Ltd are pursuant to the Swiss Code of Obligations and the Autoneum Holding Ltd Articles of Association*, Organizational Regulations* and Board Committee Regulations*.

BOARD MEMBERSHIP

Pursuant to the Articles of Association*, the Board of Directors of Autoneum Holding Ltd consists of no fewer than three and no more than nine members. As of December 31, 2022 the Board of Directors comprised seven members, none of whom performed executive duties. The functions of Chairman of the Board and

* www.autoneum.com/investor-relations/corporate-governance

CEO are separated in order to ensure a good balance between the Company management and supervisory bodies.

INDEPENDENCE OF NON-EXECUTIVE MEMBERS

The Board of Directors consists of non-executive members, and none of the members has exercised any operational activities for Autoneum in the three financial years preceding the reporting period. The members of the Board of Directors and the companies represented by them do not have any significant business relationships with companies of the Autoneum Group (but see page 110).

PERMISSIBLE ACTIVITIES OUTSIDE THE AUTONEUM GROUP

According to §20 of the Articles of Association*, no member of the Board of Directors may assume more than 15 additional mandates and no more than five of these may be held with listed companies. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Board of Directors by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20.

Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

ELECTION AND TERM OF OFFICE AND PRINCIPLES OF THE ELECTION PROCEDURE

The Chairman and the other members of the Board are elected individually by the General Meeting and for a one-year term of office, running from one Annual General Meeting to the next.

Board members can be reelected. They retire at the Annual General Meeting following their 70th birthday, unless the Board of Directors has lifted the age limit in individual cases. For Michael Pieper, the Board of Directors has made this limit void and proposed him to the shareholders for reelection in view of his outstanding personal commitment and significant shareholding in the Company, which is obviously supporting the further development of Autoneum.

Nominations for election to the Board of Directors are made with due regard for the balanced composition of this body, taking industrial and international management experience and specialist knowledge into account.

INTERNAL ORGANIZATION

The Board of Directors is responsible for the business strategy and the overall management of the Autoneum Group and Group companies. It exercises a supervisory function over the persons who have been entrusted with the business management.

The Board of Directors is responsible for all transactions that are not explicitly reserved for the General Meeting or other bodies according to the law, the Articles of Association* and the Organizational Regulations*. It prepares the Annual

* www.autoneum.com/investor-relations/corporate-governance

General Meeting and makes the necessary arrangements for implementing resolutions adopted by the Annual General Meeting. The Board of Directors has the following decision-making authority:

- composition of the business portfolio and strategic direction of the Group;
- definition of the Group structure;
- appointment and dismissal of the members of the Group Executive Board;
- definition of the authority and duties of the Chairman and the committees of the Board of Directors as well as the CEO and CFO of the Autoneum Group and the Business Group Heads;
- organization of accounting, financial control and financial planning;
- approval of strategic and financial planning, the budget and the Annual Report with business review, financial statements, consolidated financial statements and Remuneration Report;
- principles of financial and investment policy, Corporate Responsibility incl. personnel and social policy, management and communications;
- signature regulations and allocation of authority of Autoneum Holding Ltd;
- principles of internal audit;
- principles of compliance management systems;
- decisions on investment projects involving expenditure in excess of CHF 10 million;
- issuance of bonds and other significant financial market transactions;
- incorporation, purchase, sale and liquidation of subsidiaries.

The Board of Directors comprises the Chairman, the Vice Chairman and the other members. The Chairman of the Board of Directors and the members of the Compensation Committee are elected for a one-year term of office by the Annual General Meeting. Apart from this, the Board of Directors is self-constituting. The Board of Directors appoints a secretary who does not need to be a member of the Board of Directors. The Vice Chairman deputizes for the Chairman in his absence. The Board of Directors has a quorum if the majority of members are present or if the Board members are able to communicate with each other by telephone, videoconference, internet or other electronic means. Motions of the Board of Directors are approved by a simple majority of the votes of the members present. In the case of a tie, the Chairman has the casting vote.

In 2022, five regular meetings of the Board of Directors took place, lasting between four and three-quarter to seven and three-quarter hours. The meetings were held partly face to face and partly as video conferences. One of these five meetings was held in a plant abroad, combined with a plant visit. The attendance rate was 100%. In addition, there were six videoconferences held with a duration of lasting up to two and a half hours.

The agendas for the Board meetings are drawn up by the Chairman. Any member of the Board can also propose items for inclusion on the agenda. Board meetings are generally also attended by the CEO and the CFO, while members of the Group Executive Board and Senior Management attend as necessary regarding business matters concerning them. They give an overview of the results, outlook and budget of their operating units, and present those projects requiring the approval of the Board of Directors. Over the course of 2022, no external consultants were present at meetings of the Board of Directors.

Once a year, the Board of Directors reviews its performance, internal working methods and cooperation with the Group Executive Board. This takes the form of a self-assessment and includes an assessment of the state of information of Board members with regard to the Group and its business development.

Should there be a conflict of interest in the course of making decisions on business matters and items on the agenda, the respective Board member must stand aside prior to discussion of the matter in question and abstain from voting when passing a resolution.

COMMITTEES

Besides the Compensation Committee, the Board of Directors appoints an Audit, a Nomination and a Strategy and Sustainability Committee from among its members in order to assist it in its duties. The committees are fundamentally advisory and preparatory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Each committee has Board Committee Regulations* specifying its tasks and responsibilities. The members of the Compensation Committee are elected by the Annual General Meeting. The Chairmen and members of the other committees are elected by the Board of Directors. The committees meet regularly to develop recommendations for the Board of Directors and to prepare minutes of their meetings.

The **Audit Committee** currently consists of three members of the Board. Its Chairman is Rainer Schmückle; the other members are Hans-Peter Schwald and Liane Hirner. In the 2022 financial year, none of the members of the Audit Committee performed executive duties.

The Chairman is elected for one year. The Audit Committee meets at least twice each financial year. The meetings are usually also attended by the Head of Internal Audit, representatives of the statutory and Group auditors, the CEO and the CFO, and other members of the Group Executive Board and management as appropriate.

The main duties of the Audit Committee are:

- elaborating principles for external and internal audits for submission to the Board of Directors, and providing information on their implementation;
- assessing the work of the external and internal auditors as well as their mutual cooperation and reporting to the Board of Directors on compliance with legal and regulatory requirements incl. those in connection with conflict minerals and child work;
- assessing the reports submitted by the statutory auditors as well as the invoiced costs;
- overall supervision of risk management and acceptance of the Risk Report to the Board of Directors and the Group Executive Board;
- assessment of the external audit on the non-financial reporting
- assisting the Board of Directors in nominating the statutory auditors and the Group auditors for submission to the Annual General Meeting;
- examining the results of internal audits, approving the audit schedule for the following year and nominating the Head of Internal Audit.

The Audit Committee met for two regular meetings in 2022 of four respectively four and a half hours. All committee members attended both meetings and also received the written reports from the internal auditors. Except for the representatives of the statutory and Group auditors, in 2022 no consultants have participated in the meetings of the Audit Committee. In addition, there was a joint meeting with the Compensation Committee and the Nomination Committee, lasting one hour, without participation of external consultants. All Committee members participated in all meetings.

Board of Directors



Hans-Peter Schwald
Chairman



Rainer Schmückle
Vice Chairman
(Until March 23, 2023)



Michael Pieper
Board member



Liane Hirner
Board member



Norbert Indlekofer
Board member



Oliver Streuli
Board member



Ferdinand Stutz
Board member

HANS-PETER SCHWALD

Chairman, Swiss national (1959)

First elected to the Board Board member and Chairman since 2011
Educational and professional background lic. iur. HSG, lawyer; until 2016 Chairman of the Board of Directors of the law firm Staiger, Schwald & Partner Ltd; since 2017 Senior Partner of BianchiSchwald LLC . **Other activities and vested interests** Vice Chairman of the Board of Directors of Stadler Rail Ltd; Board member of Rieter Holding Ltd; Chairman of the Board of Directors of VAMED Management and Service Switzerland Ltd and VAMED Health Project Switzerland Ltd as well as Chairman of Swiss VAMED rehab hospitals; Chairman AVIA Association of Independent Swiss Importers and Suppliers of Energy Products, Cooperative; Board member of other Swiss joint stock companies. **Committees** Chairman of the Strategy and Sustainability Committee; Member of the Audit, the Compensation and the Nomination Committee .
Non-executive

RAINER SCHMÜCKLE

Vice Chairman*, German national (1959)

First elected to the Board Board member and Vice Chairman since 2011
Educational and professional background Dipl. Wirtsch.-Ing. University of Karlsruhe; from 1984 to 1997 various positions at Daimler Group, including CFO and Senior Vice President IT at Freightliner LLC, USA; from 1998 to 2000 first CFO and then CEO at Adtranz LLC; from 2001 to 2005 President and CEO at Freightliner LLC, USA; from 2005 to 2010 COO at Mercedes Car Group, Germany; from 2010 to 2011 Operating Partner of Advent International, USA; from 2011 to 2014 Chief Operating Officer and President Seating Components, Johnson Controls Inc., USA; from 2014 to 2015 CEO of MAG Group, Germany . **Other activities and vested interests** Member of the Board of Directors of Dometic AB Sweden; Chairman of the Board of Directors of STIGA (C), Luxembourg; Member of the Board of Directors STIGA SpA, Italy; Member of the Board of Directors of Canoo Inc., USA; Member of the Board of Directors of ACPS Automotive, Germany; Member of the Board of Directors of a privately held company . **Committees** Chairman of the Audit Committee; Member of the Strategy and Sustainability Committee .
Non-executive

* does not stand for re-election at the AGM of March 23, 2023

LIANE HIRNER

Board member, Austrian national (1968)

First elected to the Board Board member since 2021 . **Educational and professional background** MBA in Industrial Management, Accounting and Taxation from the Karl Franzens University in Graz; from 1993 to 2017 various positions, including Partner and Managing Director at PwC Vienna; since 2018 member of the Managing Board and CFRO of the Vienna Insurance Group, Austria . **Other activities and vested interests** Member of the Supervisory Board of various companies of the VIG Group; Member of EIOPA's Insurance and Reinsurance Stakeholder Group (IRSG); Member of the Advisory Board of Webster Vienna Private University; Member of the Accounting and Auditing Experts Board of the Austrian Chamber of Accountants (KSW); Member of the Austrian Institute of Public Accountants (IWP); Member of the working party "international accounting" of the Austrian Insurance Association (VVO). **Committees** Member of the Audit Committee . **Non-executive**

NORBERT INDLEKOFER

Board member, German national (1958)

First elected to the Board Board member since 2017 . **Educational and professional background** Dipl. Ing. University of Stuttgart; from 2004 to 2006 Chairman of the Management Board, Transmission and Chassis Systems of INA-Schaeffler KG, Germany; from 2006 to 2009 Chairman of the Management Board, Transmission and Chassis Systems of INA-Schaeffler KG as well as Chairman of the Management Board of LuK Group, Germany; from 2011 to 2014 Member of the Executive Board Automotive responsible for the Transmission Systems Business Division and Chairman of Schaeffler Ltd, Germany; from 2014 to 2016 President and CEO Automotive Schaeffler Ltd, Germany . **Other activities and vested interests** Member of the Board of Directors of Feintool Ltd; Member of the Advisory Council of ATESTEO GmbH & Co. KG . **Committees** Chairman of the Compensation Committee and of the Nomination Committee (since March 23, 2022), Member of the Strategy and Sustainability Committee **Non-executive**

MICHAEL PIEPER

Board member, Swiss national (1946)

First elected to the Board Board member since 2011 . **Educational and professional background** lic. oec. HSG; owner and CEO of Artemis Holding Ltd . **Other activities and vested interests** Member of the Board of Directors of Franke Holding AG and various Artemis and Franke subsidiaries worldwide; Board member of Arbonia Ltd, Arbon, Bergos Ltd, Zurich, Duravit Ltd, Hornberg (DE), Forbo Holding Ltd, Baar, and Reppisch-Werke Ltd, Dietikon **Non-executive**

OLIVER STREULI

Board member, Swiss national (1988)

First elected to the Board Board member since 2021 . **Educational and professional background** Masters in Accounting & Finance University St. Gallen; from 2014 to 2017 Investment Banking at UBS; 2017 to 2019 Stadler Rail Ltd; since 2019 CEO of PCS Holding Ltd . **Other activities and vested interests** Member of the Board of Directors of Swissteel Holding Ltd, Lucerne, and Flux Mobility Ltd, Winterthur; member of the Supervisory Board of Traktionsysteme Austria in Wiener Neudorf, Austria, and of Sönmez Transformer, Kocaeli, Turkey . **Committees** Member of the Compensation Committee and of the Nomination Committee . **Non-executive**

FERDINAND STUTZ

Board member, Swiss national (1957)

First elected to the Board Board member since 2011 . **Educational and professional background** Dipl. Giesserei-Ing. University of Duisburg; from 1982 to 1989 Operations Manager and Deputy Manager Foundry for Rieter Ltd; from 1989 to 1995 Department Manager, Co-Partner and Executive Director of Schubert & Salzer, Germany; from 1995 to 1997 Executive Director of Georg Fischer Eisenguss GmbH, Germany; from 1998 to 2009 Member of the Management Board of Georg Fischer Ltd and CEO of GF Automotive; since 2009 owner and founder of Stutz Improvement Ltd **Other activities and vested interests** Member of the Advisory Board of Halder Beteiligungsgesellschaft GmbH, Germany; Member of the Board of Directors or Advisory Board of other joint stock companies . **Committees** Member of the Strategy and Sustainability Committee, the Compensation and the Nomination Committee . **Non-executive**

THIS E. SCHNEIDERBoard member, Swiss national (1952)
Member until March, 23 2022Personal data: https://www.autoneum.com/de/cv_this_e_schneider_en/

The **Compensation Committee** consists of four members. The Chairman of this committee is This E. Schneider (until March 23, 2022), respectively Norbert Indiekofe (as from March 23, 2022). The other members are Hans-Peter Schwald, Ferdinand Stutz and Oliver Streuli. The committee meets whenever the need arises, but at least twice a year. It draws up the principles for the remuneration of members of the Board of Directors, the Group Executive Board and senior management within the Autoneum Group, in particular bonus programs and share allocation plans (LTI), taking into consideration the Corporate Responsibility targets of the Group, as well as the Remuneration Report and the proposals concerning the total maximum remuneration amount for the Board of Directors and Group Executive Board to be submitted annually by the Board of Directors for approval by the shareholders at the Annual General Meeting. In addition, the Compensation Committee, together with the Nomination Committee, is responsible for all topics related to human beings, human rights and people development.

The **Nomination Committee** consists of four members. The Chairman is This E. Schneider (until March 23, 2022), respectively Norbert Indiekofe (as from March 23, 2022). The other members are Hans-Peter Schwald, Ferdinand Stutz and Oliver Streuli. The committee meets whenever necessary, but at least twice a year. This committee stipulates the profile of requirements and the principles for selecting members of the Board of Directors and prepares the election of new members of the Group Executive Board and their terms of employment. It is also briefed on succession plans for the Board of Directors, Group Executive Board and senior management and the relevant development plans. In addition, the Nomination Committee, together with the Compensation Committee, is responsible for all topics related to human beings, human rights and people development.

In 2022, the members of the Compensation and the Nomination Committee held three regular meetings of between three and three and a half hours. Additionally there was a meeting held together with the Audit Committee of one hour. All committee members attended all meetings. In 2022, no external consultants were present at the committee meetings.

The **Strategy and Sustainability Committee** consists of four members: Hans-Peter Schwald is Chairman; Rainer Schmückle, Norbert Indiekofe and Ferdinand Stutz are the other members. The Strategy Committee usually meets at least twice a year. The meetings are also attended by the CEO and the CFO, and other members of the Group Executive Board and management as appropriate.

The main duties of the Strategy and Sustainability Committee are:

- supporting and assisting the Board of Directors in strategic planning, especially in assessing market changes and developments affecting the Group;
- assessing Autoneum's short- and long-term strategic orientation, in particular with regard to markets, customers, competitors, products and technologies, as well as
- supporting and assisting in all sustainability topics concerning the planet Earth, a.o. in reducing greenhouse gas emissions (climate change), sustainable processes and standards, sustainable products, responsible waste management and environmental risks
- support of strategically important projects (see page 36).

The Strategy and Sustainability Committee met in 2022 for one meeting of four hours, and held a workshop of two days. All committee members attended the meetings. In 2022, no external consultants were present at the committee meetings.

ALLOCATION OF AUTHORITY

The Board of Directors delegates the operational business management to the CEO. The members of the Group Executive Board report to the CEO. The allocation of authority between the Board of Directors and the CEO is stipulated in the Organizational Regulations*, while details of the tasks reserved for the Board of Directors can be found on pages 49–50 (“Internal Organization”). The cooperation between the Board of Directors, the CEO and the Business Groups is stipulated in the Group’s Organizational Regulations*, which include the following: The CEO draws up the strategic and financial planning and the budget with the Group Executive Board and submits it to the Board of Directors for approval. He reports regularly on the course of business as well as on risks and changes in personnel at the management level. In addition, the Chairman of the Board of Directors, the CEO and the CFO have a regular monthly meeting on all major corporate policy matters.

INFORMATION AND CONTROL INSTRUMENTS REGARDING THE GROUP EXECUTIVE BOARD

The Board of Directors receives a written monthly report on the key figures of the Group and the Business Groups from the Group Executive Board. This provides information on the income statement, the balance sheet, the cash flow statement as well as on capital expenditure. The figures are compared with the budget and with the previous year. The Board of Directors is also informed at each regular meeting about the course of business, important projects and risks, as well as ongoing earnings and liquidity development. Furthermore, the Chairman of the Board of Directors has a regular monthly meeting with the CEO and the CFO with respect to all major issues of corporate policy.

Should the Board of Directors have to rule on major cases according to the Organizational Regulations*, a written request is submitted prior to the meeting.

The projects approved by the Board of Directors are monitored within the context of a special project controlling submitted to the Board of Directors every quarter.

Once a year, the Board of Directors discusses and decides on the strategic plans drawn up by the Group Executive Board, the budget and the financial plan. Financial statements for publication are drawn up twice a year.

The Board of Directors has initiated and implemented a comprehensive internal control system for risk monitoring in connection with business activities, which covers risk identification, analysis and control as well as risk reporting. Refer to pages 81–85 for details on this risk management process and on financial risk management.

All members of the Board of Directors, the CEO, the CFO and appointed members of the management receive the internal audit reports. Internal audit conducted five regular audits in 2022. The results were discussed in detail with the Business Groups and the companies concerned, and appropriate measures have been initiated and monitored accordingly.

COMPLIANCE PROGRAM AND CODE OF CONDUCT

The Compliance Program of Autoneum aims at steering compliance with laws and regulations in order to ensure proper management of the Group and initiate measures for avoidance and early detection of infringements. Further information

on compliance and the Code of Conduct can be found at www.autoneum.com/company/compliance.

4 GROUP EXECUTIVE BOARD

The Group Executive Board had six members on December 31, 2022: the CEO, the CFO and the four Business Group Heads. For additional information about the Group Executive Board members please refer to page 60.

PERMISSIBLE ACTIVITIES OUTSIDE THE AUTONEUM GROUP

According to §20 of the Articles of Association*, no member of the Group Executive Board may assume more than four additional mandates. No more than two of these may be held with listed companies; they have to be approved by the Board of Directors prior to acceptance. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Group Executive Board by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20. Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

MANAGEMENT CONTRACTS

There are no management contracts between Autoneum Holding Ltd and third parties.

5 REMUNERATION, SHAREHOLDINGS AND LOANS

The content and process for determining remuneration and equity participation programs as well as information on the remuneration, shareholdings and loans of the Board of Directors and the Group Executive Board can be found in the Remuneration Report from page 131 onwards.

6 SHAREHOLDERS' PARTICIPATORY RIGHTS

VOTING RESTRICTIONS

Autoneum Holding Ltd imposes no voting restrictions.

STATUTORY QUORUM

General Meetings of shareholders adopt resolutions with the absolute majority of represented voting shares unless the law or Articles of Association* stipulate otherwise. Remuneration is approved with the majority of votes cast regardless of potential abstentions.

CONVOCATION OF GENERAL MEETING, AGENDA PUBLICATION, VOTING PROXIES

General Meetings of shareholders are called through publication in the Swiss Commercial Gazette by the Board of Directors at least 20 days prior to the event, with details of the agenda, pursuant to §8 of the Articles of Association*. Pursuant to §9 of the Articles of Association*, shareholders representing shares with a par value of at least CHF 20 000 can request the inclusion on the agenda of an item for discussion, with details of the relevant motions, by a closing date published

* www.autoneum.com/investor-relations/corporate-governance

Group Executive Board



Matthias Holzammer
Chief Executive Officer (CEO) (Until March 27, 2023)



Fausto Bigi
Head Business Group SAMEA



Andreas Kolf
Head Business Group Asia



Bernhard Wiehl
Chief Financial Officer (CFO)



Dr. Alexandra Bendler
Head Business Group Europe



Greg Sibley
Head Business Group North America

MATTHIAS HOLZAMMER

Chief Executive Officer (CEO)³, German national (1965)

Member of the Group Executive Board since 2012* . **Educational and professional background** Degree in business engineering; from 1993 to 2009 leading functions in operations, plant management and general management at Brose Fahrzeugteile GmbH & Co. KG, Germany, Faurecia Sitztechnik GmbH & Co. KG, Germany, and at Beru Ltd, Germany; from 2009 to 2011 Managing Director Production for Keiper GmbH & Co. KG (later Johnson Controls), Germany, last assignment as General Manager of the Product Business Unit "Metal Region Europe"; from 2012 to January 31, 2019 Head Business Group Europe, Autoneum, Switzerland; in the current function since 2019 . **Other activities and vested interests** none

* Excluding period from February 1 to October 7, 2019.

³ Until March 27, 2023, followed by Elco Spoelder

BERNHARD WIEHL

Chief Financial Officer (CFO), German national (1967)

Member of the Group Executive Board since 2019 . **Education and professional background** Degree in Mechanical Engineering, University of Applied Sciences, Esslingen, Germany; degree in Industrial Engineering (FH), University of Applied Sciences, Esslingen, Germany; from 1994 to 2000 various functions at TRW Automotive, Germany; from 2000 to 2004 Head of Finance & Controlling, Hella Lighting Systems, Germany; from 2004 to 2006 Director Program Management and from 2006 to 2007 Vice President Program Management and Controlling Europe, at Hydraulik-Ring, Germany; from 2007 to 2011 Head Finance & Controlling and Member of Executive Board, Electronics Division and from 2011 to 2013 Head Finance & Controlling and Member of Executive Board, Lighting Division, Hella, Germany; from 2013 to October 2019 Head Finance & Controlling Business Group Europe, Autoneum, Switzerland; in the current function since 2019 . **Other activities and vested interests** none

DR ALEXANDRA BENDLER

Head Business Group Europe, German national (1973)

Member of the Group Executive Board since 2019 . **Education and professional background** PhD in Engineering, Technical University of Darmstadt, Germany; from 1998 to 2002 Research Assistant and Team Leader "Corporate Strategy" in cooperation projects with McKinsey & Company, Technical University of Darmstadt, Germany; from 2002 to 2004 Consultant, Droege & Comp., Germany; from 2004 to 2008 Senior Consultant and Project Leader, Technology Management Group (TMG), Germany; from 2008 to 2010 Head Global Cost Reduction Program, Rieter, Switzerland; from 2010 to 2014 Head Strategy & Marketing, Rieter/Autoneum, Switzerland; from 2014 to 2019 Head Sales & Program Management Business Group Europe, Autoneum, Switzerland; in the current function since 2019. **Other activities and vested interests** Member of the Board of Directors of Mikron Holding Ltd., Biel

FAUSTO BIGI

Head Business Group SAMEA, Brazilian national (1959)

Member of the Group Executive Board since 2016 . **Educational and professional background** Masters in Business Administration, INSEAD, France, and Graduation in Mechanical Engineering, Brazil; from 1986 to 1993 Senior Manager at Itautec Informatica, Brazil; from 1993 to 2006 various management functions at Valeo Automotive Systems, last assignment as Branch Marketing Director Lighting Division, France; from 2006 to 2008 Purchasing Director South America, Faurecia, Brazil; from 2008 to 2011 Head South America, Rieter, Brazil; from 2011 to 2012 Deputy Head Business Group SAMEA, Autoneum, Brazil; from 2012 to 2016 CEO Correias Mercúrio S.A., Brazil; in the current function since 2016 . **Other activities and vested interests** none

ANDREAS KOLF

Head Business Group Asia, German national (1962)

Member of the Group Executive Board since 2016 . **Educational and professional background** Lawyer; from 1995 to 2001 various management functions at Tiger Wheels Holding, South Africa; from 2002 to 2004 CEO Federal-Mogul Gorzyce S.A., Poland; from 2004 to 2005 Managing Director, Borbet Thüringen GmbH, Germany; from 2005 to 2006 Global Sales Director, Federal-Mogul GmbH, Germany; from 2006 to 2011 Executive Director Operations, Federal-Mogul India; from 2011 to 2013 Director Operations Federal-Mogul Asia Pacific, China; from 2013 to 2016 Vice President and Managing Director Federal-Mogul India; in the current function since 2016 . **Other activities and vested interests** none

GREG SIBLEY

Head Business Group North America, US national (1964)

Member of the Group Executive Board since 2019 . **Education and professional background** Bachelor of Science in Mechanical Engineering, Northwestern University, Chicago (IL), USA; Masters in Business Administration in Operations Management and Finance, University of Michigan, Ann Arbor (MI), USA; from 1986 to 1997 various management functions with US automotive companies; from 1997 to 2004 various management functions at Emission Control Division with Tenneco, USA; from 2004 to 2007 Vice President Product Development and Strategic Sourcing with Trico Products, USA; from 2008 to 2010 Executive Director Engineering and from 2011 to 2013 Vice President Engineering and Manufacturing; 2014 Vice President Operations Europe and 2015 Vice President and General Manager North America, Clean Air Division at Tenneco, USA; from 2016 to 2018 President Business Unit Americas at Eberspaecher, USA; in the current function since 2019 . **Other activities and vested interests** none

by the Company. Shareholders who do not attend General Meetings personally can arrange to be represented by another shareholder by written power of attorney or by the independent voting proxy by issuing written power of attorney and instructions pursuant to the signed registration form or electronically via the platform at <https://autoneum.shapp.ch>. The independent voting proxy is elected annually by the Annual General Meeting. Lic. iur. Ulrich B. Mayer, Attorney-at-Law, shall hold office as independent voting proxy until the closure of the 2023 Annual General Meeting.

ENTRIES IN THE SHAREHOLDERS' REGISTER

In order to ensure an orderly procedure, the Board of Directors fixes the reference date shortly before the shareholders' meeting, by which time shareholders need to be entered in the share register in order to exercise their participation rights at the meeting. This reference date is published in the Swiss Commercial Gazette together with the invitation to the General Meeting.

7 CHANGE-OF-CONTROL AND DEFENSIVE MEASURES

CHANGE-OF-CONTROL CLAUSES

There are no change-of-control clauses in Autoneum contracts of employment and office. In the event of a change of control, all shares blocked within the framework of the Executive Bonus Plan are vested.

OBLIGATION TO SUBMIT AN OFFER

The legal provisions according to Art. 135 of the Financial Market Infrastructure Act (FMIA) are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33 1/3 percent of all shares must submit a takeover offer to the other shareholders.

8 STATUTORY AUDITORS

DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

KPMG AG, Zurich, has been the statutory and Group auditor of Autoneum Holding Ltd and the Autoneum Group since the financial year 2011. Reto Benz, licensed audit expert, has been lead auditor for the Autoneum mandate at KPMG since the financial year 2018. The term of office of the lead auditor is limited to seven years.

AUDIT FEES AND ADDITIONAL FEES

KPMG charged Autoneum approximately CHF 1.1 million for the 2022 financial year for services in connection with auditing the annual financial statements of Group companies, the consolidated Autoneum Group accounts and the Remuneration Report. KPMG also charged Autoneum approximately CHF 0.9 million for transaction-related services and approximately CHF 0.3 million for other services, mainly tax advisory services. Additional auditors received from Autoneum approximately CHF 0.4 million for the 2022 financial year for services in connection with auditing the annual financial statements of Group companies. They also received approximately CHF 0.1 million for additional services, mainly for tax advisory services.

INFORMATION INSTRUMENTS OF THE EXTERNAL AUDITORS

The external auditor informs the Audit Committee in writing and verbally at every meeting about relevant auditing activities and other important facts and figures related to the Company. Representatives of the external and internal auditors attend Audit Committee meetings to explain their activities and answer

questions. Please also refer to the section on the Audit Committee on page 51. The statutory auditors have access to the minutes of the meetings of the Board of Directors and its Committees.

The Audit Committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the statutory and Group auditors. It submits a proposal to the Board of Directors regarding who should be proposed for election as statutory auditors at the General Meeting. In addition, the Audit Committee reviews the scope of external auditing, the auditing plans and relevant procedures annually, and discusses auditing results with the external auditors in each case.

9 INFORMATION POLICY

Autoneum maintains regular, open communication with all stakeholders and relevant parties, in particular with investors, financial analysts and representatives of banks and the media. Communication takes place through the Annual Report and Semi-Annual Report, the Corporate Responsibility Report, the Annual General Meeting* and usually one media conference on the financial results of the previous Financial Year and a video-conference on the half-year results.

Shareholders and the capital market are informed by media releases of significant changes and developments in the Company. Price-sensitive facts are published in accordance with the ad hoc publicity requirements of SIX Swiss Exchange. In addition, Autoneum maintains communication with investors, financial analysts and representatives of the media at corresponding events. Should shareholders and other interested parties wish to automatically receive the media releases, they may register at www.autoneum.com/media/subscription-media.

Reporting on the 2022 financial year includes the Annual Report, a media release and a presentation. A hardcopy of the Annual Report can be ordered by shareholders using the form enclosed with the invitation to the Annual General Meeting. It is also available for download no later than 20 days prior to the Annual General Meeting via <https://www.autoneum.com/investor-relations/financial-reports>. At the Annual General Meeting, the Board of Directors and the Group Executive Board provide information on the annual accounts and the course of business and answer shareholders' questions.

In addition, the Corporate Responsibility Report* is issued every year during the course of the second Quarter.

SOURCES OF INFORMATION

Autoneum provides extensive information to all interested parties. This is available online via the following links:

- Articles of Association Autoneum Holding Ltd:
www.autoneum.com/investor-relations/corporate-governance
- Organizational Regulations:
www.autoneum.com/investor-relations/corporate-governance
- Download of Annual Reports incl. Financial Reports:
www.autoneum.com/investor-relations/financial-reports
- Remuneration Report:
www.autoneum.com/investor-relations/corporate-governance

* Due to the situation in connection to the coronavirus and the respective ordinances from the Swiss Government, the Annual General Meetings of March 25, 2020 and March 25, 2021 and March 23, 2022 were held under exclusion of physical participation of the shareholders.

**<https://www.autoneum.com/corporate-responsibility/>

- Order of hardcopy of Annual Reports incl. Financial Reports
www.autoneum.com/order-publication-2
- Corporate Governance:
www.autoneum.com/investor-relations/corporate-governance
- Corporate Responsibility:
www.autoneum.com/corporate-responsibility
- Share price:
www.autoneum.com/investor-relations/share
- Presentations:
www.autoneum.com/investor-relations/financial-reports/#presentation
- Media releases incl. ad hoc announcements:
www.autoneum.com/media/media-releases
- Subscription to media releases incl. ad hoc announcements:
www.autoneum.com/media/subscription-media
- Contact:
www.autoneum.com/contact

10 TRADING RESTRICTIONS

The Board of Directors of Autoneum Holding AG has released internal regulations related to trading restrictions, where it is differentiated between regular trading restrictions and ad hoc trading restrictions.

Regular trading restrictions are related to the publication of the half-year and full-year figures and are in place starting on June 10 until the end of business of the day the half-year results are published, and on December 10 until the end of business of the day the full-year results are published. Addressees are the members of the Board of Directors and the Group Executive Board and any employee who has access to the relevant financial figures.

Ad hoc trading restrictions are related to any other price-sensitive fact and are issued by the Chairman of the Board of Directors, who also decides on the addressees.

11 SIGNIFICANT CHANGES SINCE THE BALANCE SHEET DATE

With the media release of December 13, 2022, Autoneum informed that Matthias Holzammer will step down as CEO on March 27, 2023, and appointed Eelco Spoelder as his successor. <https://www.autoneum.com/2022/12/13/eelco-spoelder-appointed-new-ceo-of-autoneum/>

In a media release dated January 9, 2023, Autoneum announced a capital increase of around CHF 100 million for financing of the acquisition of the automotive business of Borgers, which was announced to the public on the same day. <https://www.autoneum.com/2023/01/09/autoneum-takes-over-the-automotive-business-of-borgers-group/>

With the invitation to the General Meeting of Autoneum Holding Ltd on March 23, 2023, the Board of Directors proposes various amendments to the Articles of Association. The invitation with the proposals is available at <https://www.autoneum.com/investor-relations/annual-general-meeting/>

Financial Report



66	Consolidated Financial Statements
117	Financial Statements of Autoneum Holding Ltd
131	Remuneration Report
138	Review 2018 – 2022

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Consolidated income statement

CHF million	Notes	2022		2021	
Revenue	(4)	1 804.5	100.0%	1 700.4	100.0%
Material expenses ¹		-859.2	47.6%	-766.4	45.1%
Employee expenses	(5)	-521.2	28.9%	-510.9	30.0%
Other expenses	(6)	-320.5	17.8%	-275.6	16.2%
Other income	(7)	48.4	2.7%	32.3	1.9%
EBITDA		152.1	8.4%	179.8	10.6%
Depreciation, amortization and impairment	(8)	-116.7	6.5%	-122.3	7.2%
EBIT		35.4	2.0%	57.5	3.4%
Financial income	(9)	3.8		3.8	
Financial expenses	(10)	-25.9		-24.0	
Share of profit of associated companies	(15)	2.4		3.1	
Earnings before taxes		15.7	0.9%	40.4	2.4%
Income taxes	(11)	-4.7		-10.3	
Net result		10.9	0.6%	30.1	1.8%
attributable to shareholders of Autoneum Holding Ltd		-2.3		22.8	
attributable to non-controlling interests		13.2		7.3	
Basic earnings per share in CHF	(12)	-0.49		4.91	
Diluted earnings per share in CHF	(12)	-0.49		4.90	

¹ Material expenses include CHF -0.5 million (2021: CHF 2.2 million) changes in inventories of finished goods and work in progress.

Consolidated statement of comprehensive income

CHF million	Notes	2022	2021
Net result		10.9	30.1
Currency translation adjustment ¹		-16.0	8.8
Inflation adjustment		4.9	1.8
Total items that will be reclassified to income statement		-11.1	10.6
Remeasurement of defined benefit pension plans	(24)	2.7	28.7
Changes in fair value of equity investments (FVOCI)	(16)	-2.9	-10.7
Income taxes		-	-3.2
Total items that will not be reclassified to income statement		-0.3	14.9
Other comprehensive income		-11.4	25.5
Total comprehensive income		-0.5	55.6
attributable to shareholders of Autoneum Holding Ltd		-11.3	46.5
attributable to non-controlling interests		10.9	9.1

¹The currency translation adjustment includes CHF -1.2 million (2021: CHF 0.4 million) from associated companies accounted for using the equity method.

The accompanying notes on pages 70-112 are part of the consolidated financial statements.

Consolidated balance sheet

CHF million	Notes	31.12.2022	31.12.2021
Assets			
Tangible assets	(13)	681.0	750.0
Intangible assets	(14)	4.4	7.1
Investments in associated companies	(15)	21.6	22.4
Financial assets	(16)	28.2	31.1
Deferred income tax assets	(11)	32.9	23.3
Employee benefit assets	(24)	8.4	14.9
Other assets	(17)	90.0	93.2
Non-current assets		866.4	942.1
Inventories	(18)	132.9	148.3
Trade receivables	(19)	250.4	219.5
Current income tax receivables		2.7	7.1
Other assets	(17)	95.8	80.8
Financial assets	(16)	–	0.5
Cash and cash equivalents	(20)	123.6	103.7
Current assets		605.5	559.9
Assets		1 471.9	1 502.0
Shareholders' equity and liabilities			
Equity attributable to shareholders of Autoneum Holding Ltd		339.1	357.4
Equity attributable to non-controlling interests	(22)	92.9	93.8
Shareholders' equity		432.0	451.2
Borrowings	(23)	494.0	433.6
Deferred income tax liabilities	(11)	20.3	21.9
Employee benefit liabilities	(24)	15.5	22.9
Provisions	(25)	2.0	7.7
Other liabilities	(26)	10.2	7.7
Non-current liabilities		542.0	493.9
Borrowings	(23)	144.8	203.8
Current income tax liabilities		10.3	12.0
Provisions	(25)	3.8	10.5
Trade payables		160.2	160.5
Other liabilities	(26)	178.9	170.1
Current liabilities		497.9	556.9
Liabilities		1 039.9	1 050.8
Shareholders' equity and liabilities		1 471.9	1 502.0

The accompanying notes on pages 70–112 are part of the consolidated financial statements.

Consolidated statement of changes in equity

CHF million	Attributable to the shareholders of Autoneum Holding Ltd						Attributable to non-controlling interests		Total
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Retained earnings	Currency transl. adjustm.	Total	Total	
At January 1, 2021	0.2	-3.5	217.5	8.4	193.5	-106.6	309.7	103.9	413.6
Net result	-	-	-	-	22.8	-	22.8	7.3	30.1
Other comprehensive income	-	-	-	-10.7	27.3	7.1	23.7	1.8	25.5
Total comprehensive income	-	-	-	-10.7	50.1	7.1	46.5	9.1	55.6
Dividends paid ¹	-	-	-	-	-	-	-	-19.2	-19.2
Share-based remuneration ²	-	0.8	-	-	0.3	-	1.2	-	1.2
Total transactions with owners	-	0.8	-	-	0.3	-	1.2	-19.2	-18.0
At December 31, 2021	0.2	-2.6	217.5	-2.2	244.0	-99.5	357.4	93.8	451.2
Application of IAS 29 ³	-	-	-	-	1.0	-	1.0	1.0	2.0
At January 1, 2022 restated	0.2	-2.6	217.5	-2.2	245.0	-99.5	358.4	94.8	453.3
Net result	-	-	-	-	-2.3	-	-2.3	13.2	10.9
Other comprehensive income	-	-	-	-2.9	7.0	-13.1	-9.0	-2.4	-11.4
Total comprehensive income	-	-	-	-2.9	4.8	-13.1	-11.3	10.9	-0.5
Dividends paid ¹	-	-	-	-	-6.9	-	-6.9	-12.8	-19.7
Purchase of treasury shares ²	-	-2.9	-	-	-	-	-2.9	-	-2.9
Share-based remuneration ²	-	1.6	-	-	0.3	-	1.9	-	1.9
Total transactions with owners	-	-1.3	-	-	-6.7	-	-8.0	-12.8	-20.8
At December 31, 2022	0.2	-4.0	217.5	-5.2	243.1	-112.6	339.1	92.9	432.0

¹ Autoneum Holding Ltd paid a dividend for the 2021 financial year in 2022 of CHF 1.50 per share entitled to dividends, totaling a payout of CHF 7.0 million as approved by the Annual General Meeting. Autoneum Holding Ltd did not pay a dividend for the 2020 financial year in 2021.

² Autoneum purchased 23 500 registered shares (2021: 5) and transferred 15 015 registered shares (2021: 8 015) in conjunction with share-based remuneration in the period under review.

³ Refer to note 1.8 on page 73.

The accompanying notes on pages 70–112 are part of the consolidated financial statements.

Consolidated statement of cash flows

CHF million	Notes	2022	2021
Net result		10.9	30.1
Dividend income	(9)	-0.9	-1.0
Interest income	(9)	-1.1	-2.7
Interest expenses	(10)	19.8	21.9
Income tax expenses	(11)	4.7	10.3
Depreciation, amortization and impairment	(8)	116.7	122.3
Share of profit of associated companies	(15)	-2.4	-3.1
(Gain)/Loss from disposal of tangible assets, net	(6), (7)	-8.5	0.7
Loss from disposal of subsidiary or business	(6)	-	0.2
Other non-cash income and expenses		2.4	0.5
Change in net working capital		-19.7	-42.8
Change in post-employment benefit assets and liabilities		1.8	2.7
Change in non-current provisions		-5.6	-4.6
Change in other non-current assets		1.8	2.4
Change in other non-current liabilities		3.7	1.7
Dividends received		2.9	2.6
Interest received		1.1	2.8
Interest paid		-19.1	-22.0
Income taxes paid		-14.0	-21.6
Cash flows from operating activities		94.5	100.4
Investments in tangible assets	(13)	-39.7	-34.1
Investments in intangible assets	(14)	-0.6	-1.0
Investments in financial assets		-0.9	-0.9
Proceeds from disposal of tangible assets		3.0	1.6
Proceeds from disposal of financial assets		0.5	0.2
Proceeds from disposal of subsidiary or business ¹		0.5	5.0
Cash flows used in investing activities		-37.2	-29.3
Dividends paid to shareholders of Autoneum Holding Ltd		-6.9	-
Dividends paid to non-controlling interests		-12.8	-19.2
Purchase of treasury shares	(21)	-2.9	-
Proceeds from borrowings	(23)	48.2	5.7
Repayment of borrowings	(23)	-56.0	-275.1
Cash flows used in financing activities		-30.4	-288.7
Currency translation adjustment		-6.9	-0.7
Change in cash and cash equivalents		19.9	-218.3
Cash and cash equivalents at beginning of the year		103.7	322.0
Cash and cash equivalents at end of the year	(20)	123.6	103.7

¹ Deferred purchase price payments from transactions in previous periods.

The accompanying notes on pages 70–112 are part of the consolidated financial statements.

Notes to the consolidated financial statements

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

Autoneum Holding Ltd (“the Company”) was incorporated on December 2, 2010 as a Swiss corporation domiciled in Winterthur. The Company has been listed on the SIX Swiss Exchange (AUTN, ISIN: CH0127480363) since May 13, 2011. Autoneum Holding Ltd together with its subsidiaries will henceforth be referred to as “Autoneum Group”, “Group” or “Autoneum”. A list of subsidiaries, associated companies and non-consolidated investments of Autoneum Group can be found in note 35 on page 112.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on historical cost, with the exception of employee benefit assets and liabilities, which are measured at the fair value of the plan assets less the present value of the defined benefit obligation, and specific financial instruments, which are measured at fair value. The consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2023 and are subject to approval by the Annual General Meeting of shareholders on March 23, 2023.

The consolidated financial statements are published exclusively in English. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

1.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Other disclosures relating to the Group’s exposure to risks and uncertainties include the risk management process (refer to note 2, page 81) and the sensitivity analyses of defined benefit plans (refer to note 24, page 103).

JUDGMENTS

In the process of applying the Group’s accounting policies, management has made the following judgment in connection with the consolidation of entities in which the Group holds less than the majority of voting rights.

Assessing whether Autoneum has control over an entity includes all facts and circumstances that may indicate that the Group is able to direct the relevant activities and key decisions. Autoneum concludes that it has control over certain entities in which it holds 50% (refer to note 22, page 101), based on specific rights allocated. Facts and circumstances indicating that Autoneum controls an entity may change and lead to a reassessment of the management’s conclusion.

In rare circumstances, IFRS 16 requires management judgment in order to determine an appropriate lease term. The application of IFRS 16 is outlined in note 1.9 on page 74.

ESTIMATES AND ASSUMPTIONS

Key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year include the following:

Impairment losses on tangible assets are assessed based on estimated cash flows, which may vary from actual cash flows. Important assumptions to consider are useful lives, growth rates, achievable margins, utilization levels and the discount rates.

Preproduction costs that are capitalized in the balance sheet include mainly employee costs. Testing for impairment of the capitalized preproduction costs requires management to estimate both the total future consideration and total future costs of a project.

For defined benefit plans, actuarial valuations which are the basis for the employee benefit assets and liabilities in the balance sheet are carried out regularly. These calculations are based on statistical and actuarial assumptions. In particular, the present value of the defined benefit obligation is affected by assumptions such as discount rate, expected future salary growth and the life expectancy. Other assumptions for the valuation are derived from statistical data such as mortality tables and staff turnover rates. Actuaries are independent from Autoneum. Assumptions may differ significantly from actual results. These deviations can ultimately have an effect on the employee benefit assets or liabilities in future periods (refer to note 24, page 103).

In the course of the ordinary operating activities of Autoneum Group, obligations from guarantee and warranty, litigation and non-income tax risk, and environmental risk can arise. Provisions for these obligations are measured on the basis of estimated future cash outflow. The outcome of these business transactions may result in claims against Autoneum that may be below or above the related provisions. Provisions for litigation and non-income tax risk comprise complex cases that include material uncertainties. Environmental provisions are recognized for the expected costs for the cleanup and reconstruction of contaminated sites that are interdependent of many uncertainties, such as Autoneum's share of the cost or the applicable approach for determining these costs. The financial impact of these cases for future periods can only be estimated, because uncertainties relating to amount and date of cash outflow exist (refer to note 25, page 107).

Assumptions in relation to income taxes include interpretations of the tax regulations in place in the relevant countries. The adequacy of these interpretations is assessed by the tax authorities. This can result, at a later stage, in changes in the income tax expenses. To determine whether a deferred income tax asset on tax loss carryforwards may be recognized requires judgment in assessing whether there will be future taxable profits against which these tax loss carryforwards can be offset (refer to note 11, page 90).

1.3 CHANGES IN ACCOUNTING POLICIES

ADOPTED CHANGES IN ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these consolidated financial statements are the same as those applied in the consolidated financial statements as of December 31, 2021.

New and revised standards and interpretations effective as of January 1, 2022 have been applied but did not have any significant impact on the Group's consolidated financial statements.

FUTURE CHANGES IN ACCOUNTING POLICIES

The following new and revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements. However, a preliminary assessment has been conducted by the management and the expected impact of each standard and interpretation is presented in the following table.

	Effective date	Planned application by Autoneum
New standards and interpretations		
IFRS 17 Insurance Contracts ¹	January 1, 2023	January 1, 2023
Revisions and amendments of standards and interpretations		
Amendments to IFRS 17 ¹	January 1, 2023	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) ¹	January 1, 2023	January 1, 2023
Definition of Accounting Estimate (Amendments to IAS 8) ¹	January 1, 2023	January 1, 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes ¹	January 1, 2023	January 1, 2023
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17) ¹	January 1, 2023	January 1, 2023
Classification of liabilities as current or non-current (Amendments to IAS 1) ²	January 1, 2024	January 1, 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) ¹	January 1, 2024	January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1) ²	January 1, 2024	January 1, 2024

¹ No impact or no significant impact is expected on the consolidated financial statements.

² The impact on the consolidated financial statements of Autoneum cannot yet be determined with sufficient reliability.

1.4 GLOBAL MINIMUM TAX

On October 8, 2021 more than 135 countries worldwide agreed to a reform on international taxation (OECD Framework). The OECD Framework comprises two pillars. Pillar one involves rules for reallocating taxable income to countries where the income is sourced. Pillar two provides for a minimum taxation per country at a tax rate of 15%. The implementation of the OECD Framework requires and will lead to changes in national tax laws and potentially tax rates for corporations. Implications for the assessment of tax assets and liabilities depend in particular on how and by when the various countries will adopt the OECD Framework in their local tax laws. Autoneum is tracking the progress of the legislative procedures in the countries in which it operates. As of December 31, 2022 information on local implementation laws was deemed insufficient to derive potential quantitative implications reliably.

1.5 ACCOUNTING IMPLICATIONS OF THE RUSSIAN INVASION OF UKRAINE

Since the outbreak of war in Ukraine, new bottlenecks in global supply chains have impacted vehicle manufacturers' production volumes and thus dampened earnings and revenue development for the automotive supply industry, especially in Europe. Current developments are accompanied by accelerated inflation and significant price increases in the commodities markets, which the war in Ukraine has further exacerbated. The Group has been impacted by rising material, energy and transport costs.

In 2022, Russia, Ukraine and Belarus represented approximately 0.1% of the Group's net revenue (2021: 0.3%), while assets in Russia accounted for approximately 0.2% of total assets of the Group (December 31, 2021: 0.3%). Currently, the Group's activities within Russia continue with the existing contracts. The current management assessment has not resulted in an impairment loss.

1.6 SCOPE AND METHODS OF CONSOLIDATION

The consolidated financial statements of Autoneum Holding Ltd include the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights 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 on which control commences until the date on which control is lost.

Acquisitions are accounted for using the acquisition method. Intercompany transactions are eliminated. If Autoneum does not have control over entities but significant influence, which is usually the case if Autoneum holds interests of between 20% and 50%, these investments are classified as associated companies and accounted for using the equity method. Interests of less than 20% where Autoneum does not have significant influence are classified as non-consolidated investments and are accounted for at fair value. The subsidiaries, associated companies and non-consolidated investments are listed in note 35 on page 112.

1.7 FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The consolidated financial statements are prepared in Swiss francs, which is the functional currency and the reporting currency of Autoneum Holding Ltd.

Transactions in foreign currencies are translated into the functional currency by applying the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. For consolidation purposes, items in the balance sheet of foreign subsidiaries are translated at year-end exchange rates, while income statement items are translated at average rates for the period. The resulting currency translation differences are recognized in other comprehensive income and, in the event of a disposal of a foreign operation, transferred to the income statement as part of the gain or loss from disposal.

1.8 HYPERINFLATION ACCOUNTING

The Argentinian and Turkish economies have exceeded 100 inflation points in the last 36 months (Argentina since 2018, Türkiye since 2022), based on consumer price indexes (CPI). Therefore, both economies are considered to be hyperinflationary in the current reporting period, in accordance with the criteria in IAS 29 “Financial Reporting in Hyperinflationary Economies”. The standard requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date. The financial statements of the Argentinian and Turkish subsidiaries were restated accordingly before being translated and included in the consolidated financial statements of the Group.

1.9 TANGIBLE ASSETS

Tangible assets are stated at historical cost less accumulated depreciation, which is recognized on a straight-line basis over the estimated useful life of the asset. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Useful life is determined according to the expected utilization of each asset. The relevant ranges are as follows:

Buildings	20–50 years
Machinery and plant equipment	5–15 years
Data-processing equipment	4–8 years
Vehicles and furniture	3–10 years

Components of certain assets with different useful lives are depreciated separately. Gains or losses arising from the disposal of tangible assets are recognized in the income statement. Costs of maintenance and repair are charged to the income statement as incurred. The residual values and useful lives of tangible assets are reviewed, and adjusted if appropriate, at each balance sheet date.

1.10 LEASES

The Group leases various buildings, vehicles, machineries and other assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as right-of-use assets as part of tangible assets and corresponding lease liabilities at the commencement date. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit or loss. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and charged to profit or loss. Assets and liabilities arising from a lease are initially measured on a present value basis, using the rate implicit in the lease if this rate could be readily determined. If not, the lessee's incremental borrowing rate is used, which reflects the refinancing costs of Autoneum.

At the commencement date, right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentive received,
- any initial direct costs incurred by the lessee, and
- restoration costs.

At the commencement date, lease liabilities are initially measured at the present value of the lease payments. The following lease payments are included in the net present value:

- fixed payments, less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Group recognizes short-term leases and leases for which the underlying asset is of low value as operating expenses in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets are those not exceeding an amount of CHF 5 000.

Extension and termination options are included in a number of lease agreements across the Group. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the Group is reasonably certain to extend the contract.

1.11 INTANGIBLE ASSETS

Intangible assets such as product licenses, patents and trademark rights as well as software acquired from third parties are included in the balance sheet at acquisition cost and are amortized on a straight-line basis over a period of up to eight years. The residual values and useful lives of intangible assets are reviewed, and adjusted if appropriate, at each balance sheet date. Autoneum has neither in the current reporting period nor in the prior period intangible assets that have an indefinite useful life recorded in the balance sheet. Autoneum has no goodwill capitalized in the balance sheet.

1.12 IMPAIRMENT OF ASSETS

Tangible assets, intangible assets and other assets (non-current) are tested for impairment if there are indications that, due to changed circumstances, their carrying value may no longer be fully recoverable. If such a situation arises, the recoverable amount is determined. This is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount is below the carrying amount, a corresponding impairment loss is recognized in the income statement. Where the recoverable amount cannot be determined for an individual asset, it is determined for the cash-generating unit to which the asset belongs. To determine the value of an asset, estimates of the expected future cash flows from both usage and disposal are made.

1.13 CAPITALIZED PREPRODUCTION COSTS

In order to be able to deliver an OEM with serial parts over the production period, Autoneum designs and develops a serial part based on its existing product technologies that meets the OEM's specifications and prepares its manufacturing process allowing serial production over the production period, which is usually between five and eight years. The costs for this process qualify as costs to fulfill a contract and are capitalized as preproduction costs in the line item other assets. Those costs are capitalized when the costs are directly attributable to a project, which means between the nomination date and start of production, the costs enhance resources of the entity that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. The majority of costs that fulfill those requirements are employee costs that are allocated to specific projects, either based on actual hours entered by employees multiplied by an hourly cost rate, or where hourly records are not available, based on estimates made by controlling staff. The capitalized preproduction costs are amortized in the income statement in the line item material expenses over the period when revenue from the sale of the serial parts is recognized, which is usually between five and eight years.

Where the carrying amount of the capitalized preproduction costs exceeds the remaining amount of consideration that Autoneum will receive minus the remaining costs that Autoneum will incur to fulfill the contract, an impairment loss is recognized immediately.

1.14 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

INITIAL RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables are measured at the transaction price determined under IFRS 15 (refer to note 1.22 on page 80). The Group initially measures all other financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchasing or selling the asset.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

For subsequent measurement, Autoneum classifies its financial assets in three categories:

- Financial assets at amortized cost: The Group measures financial assets at amortized cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments): Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as financial income in the income statement when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed investments in non-consolidated companies under this category.
- Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through arrangement”.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group calculates ECLs according to a provision matrix based on days the amounts are past due. Publicly available credit default probabilities for the individual customer based on their ratings are further used in the assessment.

As Autoneum has not encountered material credit losses in the past, the Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

INITIAL RECOGNITION AND MEASUREMENT OF FINANCIAL LIABILITIES

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, or as financial liabilities at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group. Gains or losses on liabilities held for trading are recognized in the income statement.
- The category of financial liabilities at amortized cost is most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortization is included as finance expenses in the income statement. This category generally applies to interest-bearing loans and borrowings.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

1.15 INVENTORIES

Raw materials, consumables and purchased parts are valued at the lower of average cost or net realizable value. Semi-finished goods and finished goods are valued at the lower of manufacturing cost or net realizable value. Valuation adjustments are made for obsolete materials and excess stock.

1.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank accounts and time deposits with original maturities from the date of acquisition of up to three months.

1.17 EQUITY

Ordinary shares are classified as equity since the shares are non-redeemable and any dividends are discretionary.

When shares are repurchased, the amount of the consideration paid is recognized as a deduction from equity and presented as a separate component in equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is recognized in retained earnings.

1.18 PROVISIONS

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 the amount can be reliably estimated. Provisions are discounted if the impact is significant.

1.19 INCOME TAXES

Income taxes comprise both current and deferred income taxes. Normally, income taxes are recognized in the income statement, unless they are linked to a position that is recognized directly in equity or in other comprehensive income. In this case, the income taxes are also recognized directly in equity or in other comprehensive income.

Current income taxes are calculated and accrued on the basis of taxable income for the year. Deferred income taxes on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts determined for local tax purposes are calculated using the liability

method. Deferred income taxes are measured at the tax rate expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are offset to the extent that an entity has a legally enforceable right to offset current income taxes, and the deferred income taxes relate to income taxes levied by the same taxation authority and relate to the same taxable entity.

Temporary differences resulting from investments in Group companies are not considered if Autoneum is able to control the timing of the reversal of the temporary differences and if it is probable that these temporary differences will not reverse in future.

The tax impact of losses and deductible temporary differences is capitalized to the extent it appears probable that such losses and deductible temporary differences will be offset in the future by taxable income.

1.20 EMPLOYEE BENEFITS

Employee pension plans are operated by certain subsidiaries, depending upon the level of coverage provided by the government pension facilities in the various countries in which they are present. Some are provided by independent pension funds. If there is no independent pension fund, the respective obligations are shown in the balance sheet under employee benefit liabilities. As a rule, pensions are funded by employees' and employers' contributions. Pension plans exist on the basis of both defined contribution and defined benefit.

Pension liabilities arising from defined benefit plans are calculated annually by independent actuaries using the projected unit credit method. The discount rate used for the calculation is based on interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Remeasurement gains or losses are recognized in other comprehensive income. Pension cost relating to services rendered in the reporting period is recognized in the income statement as current service cost. Pension cost relating to services rendered in previous periods as a result of new or amended pension benefits is recognized in the income statement as past service cost. The net interest expenses or income on the net defined benefit liability or asset for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. The net interest expenses or income is recognized in financial expenses or income. The fair value of plan assets is deducted from the defined benefit obligations. Any asset resulting from this calculation is only capitalized up to an amount not exceeding benefits from future contribution reductions or refunds.

In the case of defined contribution plans, the contributions are recognized as expenses in the period in which they were incurred.

1.21 SHARE-BASED PAYMENTS

Share-based payments to members of the Board of Directors, the Executive Board and senior management are measured at fair value at the grant date, and recognized in the income statement over the vesting period. The fair value is assessed based on the current market price and taking into account a discount for dividends that will not be collected by the beneficiary because the transfer of the shares is deferred. For share-based payments that are settled with equity instruments, a corresponding increase in equity is recognized.

1.22 REVENUE RECOGNITION

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The main business of Autoneum is to develop and produce multifunctional and lightweight components and systems for noise and heat protection for its customers, i.e., Original Equipment Manufacturers (OEM). Autoneum and the OEM agree on a contract upon nomination. The contracts include that Autoneum sells serial parts to the OEM over a production period of five to eight years. The serial parts are manufactured using a tool, which is either manufactured by Autoneum or procured by a third-party supplier and which is sold to the OEM, usually before start of production. As a result, Autoneum agrees on two different kinds of performance obligations upon nomination: a performance obligation for each serial part that will be delivered to the OEM during the serial production period and a performance obligation for the procurement of the tools. Revenue is allocated to the performance obligations based on the selling price that is agreed with the OEM.

The majority of total revenue (more than 90%) is generated with the sale of the serial parts to the OEM and a minor part of total revenue (less than 10%) is generated with the sale of the tools to the OEM.

Upon nomination, the OEM and Autoneum agree on a sales price per serial part and agree that Autoneum will produce and deliver the serial parts to the OEM over its complete serial production period. The OEM and Autoneum agree on a contract that includes an expected quantity of serial products that will be delivered to the OEM, as the final quantity of required serial parts depends on the number of cars that the OEM will produce. Revenue from the sale of the serial parts is recognized at the point in time when control of the parts is transferred to the OEM, which is according to the delivery terms that are agreed with the OEM. Revenue is recognized based on the applicable sales price at the point in time the serial parts are transferred to the OEM. Control of the tools is transferred to the OEM at the point in time when the OEM accepts the tool.

Revenue recognized from contracts with customers is disclosed as revenue in the consolidated financial statements.

1.23 FINANCING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized as a part of the acquisition costs of the qualified asset. All other financing costs are recognized directly in the income statement.

1.24 GOVERNMENT GRANTS

Government grants are assistance by government in the form of transfers of resources in return for compliance with certain conditions. Government grants related to capital expenditure (investment premiums) are initially recognized as a liability and subsequently recognized over the useful life of the subsidized tangible asset. If a government grant is awarded for the purpose of giving immediate financial support to an entity rather than an incentive to undertake specific expenditures, the grant is recognized in profit or loss of the period in which it becomes receivable and is deducted on the related expenses.

1.25 DEFINITION OF NON-GAAP MEASURES

EBIT as a subtotal includes all income and expenses before addition/deduction of financial income, financial expenses, share of profit of associated companies and income taxes. EBITDA as a subtotal includes EBIT before deduction of depreciation and impairment of tangible assets as well as amortization and impairment of intangible assets.

2 RISK MANAGEMENT

Autoneum maintains an internal control system with the objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The internal control system is an important part of the risk management system.

The process of risk management is governed by the regulation “Autoneum Risk Management System”, which was adopted by the Board of Directors. The regulation defines the main categories of risk, which serve as a basis of the risk management, and the bodies that deal within the Group with the various risks. In addition, the regulation defines the procedures for detecting, reporting and managing risk and the criteria for qualitative and quantitative risk assessment.

The regulation defines the following main risk categories: strategic risk, operational risk, financial risk, compliance risk, capital risk, litigation, legal, environmental, human right violation and other corporate responsibility risk (e.g. political, organizational, social and work safety risk).

Besides the financial and capital risk (refer to paragraphs 2.1 and 2.2 respectively), the following risks within the main risk categories are a focus of Autoneum:

- Strategic risk: This risk results on the one hand from different markets in which Autoneum operates (local aspects, legal regulations, degree of maturity of markets). On the other hand, it results from the share of the customers in Autoneum’s revenue, as well as from the technical and regulatory requirements on Autoneum products.
- Operational risk: This risk results from the technical development of orders until end of production, from the need for cost-efficient production and the possibility of interruptions in production.

Strategic risk resulting from developments in the relevant markets and of the products offered therein is assessed as part of the strategic planning and financial planning processes. Strategic risk and operational risk are regularly reviewed at meetings within the Business Groups and with the CEO and the CFO of the Group. These meetings also deal with other risks impacting actual performance against budget, in order to identify and implement corrective measures.

Risks resulting from divestments or other major projects are monitored at Group level within the framework of authorities and approvals for the respective project. Quarterly project review reports are prepared for the attention of the Board of Directors.

Specific risks are addressed by periodic reports in dedicated bodies. Such reports cover environmental and work safety risk at the various sites, treasury risk and risk from legal actions and compliance.

An aggregate review of all identified risks and of the instruments and measures to address them is performed on a semi-annual basis by the Risk Council, consisting of representatives of all Business Groups and Corporate functions. The review results are reported to the Board of Directors and the Group Executive Board.

2.1 FINANCIAL RISK

As a result of its worldwide activities Autoneum is exposed to various financial risks, such as credit risk, liquidity risk and market risk (foreign exchange risk, interest rate risk and price risk).

Autoneum’s financial risk management aims to minimize the potential adverse impact of the development of the financial markets on the Group’s financial performance and to secure its financial stability. This may include the use of derivative financial instruments to hedge certain risk exposures. Financial risks are identified primarily locally and evaluated and managed centrally by Group Treasury in close cooperation with the Group’s legal units.

CREDIT RISK

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as from exposures to customers, including outstanding receivables, contract assets and committed transactions. Credit risk may result in a financial loss if one party in a transaction is unable or unwilling to meet its obligations. It is Autoneum's objective to limit the impact of a default. The maximum risk of these positions corresponds to the book values of financial instruments that are classified as financial assets at amortized cost (refer to note 29 on page 109).

Credit risk of financial counterparties is monitored centrally by Group Treasury. Significant relationships with banks and financial institutions are basically only entered into with counterparties which would receive a BBB rating or higher in the categories of the largest rating agencies like e.g. Fitch. At the date of reporting, management does not expect significant losses from non-performance by financial institutions where funds are invested or financial transactions are outstanding.

Autoneum maintains business relationships with all significant automotive manufacturers and has a geographically broad, diversified customer portfolio. No customer accounted for more than 15.7% (2021: 15.5%) of Autoneum's revenue. The Group monitors the creditworthiness of its key customers by using independent ratings (if available) and by taking into account their financial position, past experience and other factors. The related credit risk is considered low at the date of reporting. In accordance with IFRS 9, the Group calculates the Expected Credit Loss according to a provision matrix based on days the amounts are past due. For trade receivables which are not overdue by more than 180 days, expected credit losses are determined by using publicly available credit default probabilities for the individual customer based on their ratings. If at this stage information indicating a higher collection risk for individual customers is available, individual allowances are recognized for the respective balances. The risk of an impairment loss increases significantly for open trade receivable balances that are overdue for more than 180 days. Unless the open balance is negligible, an individual assessment is performed to estimate expected credit losses. Individual assessments incorporate forward-looking information such as macro-economic forecasts.

The average expected loss rates for trade receivables per aging category as well as for contract assets are as follows:

AVERAGE EXPECTED LOSS RATE FOR TRADE RECEIVABLES PER AGING CATEGORY AS OF DECEMBER 31, 2022

CHF million	Not due	No more than 180 days overdue	181 days to one year overdue	More than 1 year overdue	Total
Expected loss rate (in %)	0.3%	1.3%	68.5%	100.0%	1.5%
Trade receivables (gross)	223.6	27.4	0.9	2.2	254.2
Allowance for impairment	-0.6	-0.4	-0.6	-2.2	-3.7
Trade receivables	223.1	27.1	0.3	-	250.4

AVERAGE EXPECTED LOSS RATE FOR TRADE RECEIVABLES PER AGING CATEGORY AS OF DECEMBER 31, 2021

CHF million	Not due	No more than 180 days overdue	181 days to one year overdue	More than 1 year overdue	Total
Expected loss rate (in %)	0.3%	2.0%	51.7%	88.9%	1.9%
Trade receivables (gross)	204.2	15.0	2.1	2.4	223.7
Allowance for impairment	-0.6	-0.3	-1.1	-2.1	-4.2
Trade receivables	203.6	14.7	1.0	0.3	219.5

AVERAGE EXPECTED LOSS RATE FOR CONTRACT ASSETS AS OF DECEMBER 31

CHF million	Not due 2022	Not due 2021
Expected loss rate (in %)	5.3%	7.6%
Contract assets (gross)	40.2	43.1
Allowance for impairment	-2.1	-3.3
Contract assets	38.1	39.8

LIQUIDITY RISK

The objective of liquidity risk management is to ensure that sufficient financial resources are available at any point in time in order to be able to completely fulfill all payment obligations of the Group when due. As part of an integral budgeting and forecasting process, Group Treasury centrally monitors the planned liquidity position of the Group. Group Treasury compares the planned liquidity requirements with the available funds to detect shortages at an early stage. The liquidity risk management of Autoneum includes the maintenance of sufficient liquidity reserves and the availability of funding through an adequate amount of committed credit lines.

Beside several smaller bilateral credit facilities with banks, Autoneum maintains a credit agreement for the medium- and long-term financing requirements with a group of twelve banks in the amount of CHF 350.0 million, which expires on October 31, 2027. The credit agreement was signed on October 31, 2022 and replaces the syndicated loan which was due to run until December 31, 2022 (refer to note 23, page 102). Furthermore, a bond in the amount of CHF 75.0 million with maturity as of July 4, 2023 and a bond in the amount of CHF 100.0 million with maturity as of December 8, 2025 have been issued, both of which are listed at the SIX Swiss Exchange (refer to note 23, page 102).

The following tables show the contractual maturities of Autoneum's financial liabilities (including interest).

Financial liabilities at December 31, 2022	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bonds	174.9	76.5	102.1	-	178.7
Bank debts	185.5	22.8	163.6	-	186.4
Lease liabilities	263.0	35.0	108.5	199.3	342.8
Other borrowings	15.5	14.5	1.3	-	15.8
Trade payables	160.2	160.2	-	-	160.2
Accrued expenses	110.3	110.3	-	-	110.3
Other payables	12.8	12.0	0.8	-	12.8
Total	922.1	431.3	376.3	199.3	1 006.9

Financial liabilities at December 31, 2021	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bonds	174.8	2.0	178.6	-	180.5
Bank debts	164.4	164.7	0.6	-	165.3
Lease liabilities	282.3	37.4	113.6	226.4	377.4
Other borrowings	15.9	5.3	11.2	-	16.5
Trade payables	160.5	160.5	-	-	160.5
Accrued expenses	92.7	92.7	-	-	92.7
Other payables	13.4	12.5	1.0	-	13.4
Total	904.0	475.1	304.9	226.4	1 006.4

FOREIGN EXCHANGE RISK

Due to the global nature of its activities, the Group is exposed to foreign exchange risk. Foreign exchange risk arises from investments in foreign subsidiaries (translation risk) as well as from transactions and financial assets or financial liabilities that are denominated in a currency other than the functional currency of a legal unit (transaction risk). In order to hedge transaction risk that cannot be eliminated through offsetting transactions in the same foreign currency (natural hedging), subsidiaries may use forward contracts, which are usually traded with banks via Group Treasury. The transaction risk from foreign currencies is monitored continuously.

The subsidiaries' cash holdings with banks are denominated mostly in the functional currency of the subsidiary. The majority of the business transacted in Autoneum's subsidiaries is also in their functional currency. At the reporting date, the Group held financial instruments which were denominated in currencies other than the functional currency of the respective Group company as follows:

CHF million	Assets	Liabilities	Assets	Liabilities
	31.12.2022	31.12.2022	31.12.2021	31.12.2021
EUR	96.1	79.5	73.1	57.1
USD	38.0	59.5	25.9	47.8
Other	25.5	5.9	19.8	2.0
Total	159.6	144.9	118.9	106.9

The Group is exposed to foreign exchange risk mostly against the euro and the US dollar. The currency-related sensitivity of the Group against these two currencies is shown in the following table:

CHF million	Reasonable shift	Impact on net result	Impact on equity
December 31, 2022			
EUR/CHF	+/- 15%	+/- 4.8	+/- 20.3
USD/CHF	+/- 15%	-/+ 8.4	+/- 82.9
December 31, 2021			
EUR/CHF	+/- 10%	+/- 3.8	+/- 13.7
USD/CHF	+/- 10%	-/+ 5.2	+/- 48.2

The potential impact on net result is mainly due to foreign exchange gains and losses on financial instruments as well as the translation of the profit or loss of foreign subsidiaries into Swiss francs for consolidation purposes. The impact on equity additionally includes currency translation adjustments arising from the translation of the net investment in foreign subsidiaries.

INTEREST RATE RISK

The interest rate risk of the Group relates to interest-bearing assets and liabilities. Floating interest rate positions are subject to cash flow interest risk. Fixed-interest positions are subject to fair value interest risk if measured at fair value. In general, Autoneum aims to maintain, in consideration of seasonal fluctuations, a balanced relation between fixed and floating interest-bearing financial liabilities as disclosed in note 23 on page 102. The two bonds issued at fixed interest rates are not subject to any interest rate risk, whereas the long-term credit agreement with floating interest rates is subject to a cash flow interest risk. The Group analyzes the interest rate risk on a net basis. No hedging of the interest rate risk was performed in the reporting period or in the prior period.

Based on the interest-bearing assets and liabilities that existed at December 31, 2022 a 100 basis point higher level of the respective underlying refinancing base rates (e.g. SARON or other alternative reference rates) would lead to a CHF 1.4 million (2021: CHF 0.9 million) lower net result as well as equity of the Group on an annual basis. A 100 basis point lower level of those rates would lead to a CHF 0.6 million (2021: CHF 0.5 million) higher net result as well as equity of the Group on an annual basis.

PRICE RISK

Holding financial assets that are measured at fair value exposes Autoneum to a risk of price fluctuation. Autoneum holds a significant investment in Nihon Tokushu Toryo Co. Ltd., whose shares are listed on the Tokyo Stock Exchange. Autoneum is exposed to a price risk according to the fluctuations in the share price. This investment is classified as a financial asset at fair value through other comprehensive income and changes in the share price do not impact profit or loss. The amount of financial assets at fair value through profit or loss that Autoneum held is not significant (refer to note 16, page 97 and note 29, page 109).

2.2 CAPITAL RISK

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders, and to maintain an optimally leveraged capital structure in order to reduce the cost of capital. Autoneum aims to reach a stable investment grade rating as perceived by bank partners and debt investors.

Autoneum Group therefore targets a healthy balance sheet with an adequate portion of equity. In the mid-term, Autoneum aims for an equity ratio above 35%. As of December 31, 2022 the equity ratio equaled 29.4% (December 31, 2021: 30.0%). For the next few years, the dividend policy will depend on a number of factors, such as net result and the financial situation of the Group, the demand for capital and liquidity, the general business environment as well as legal and contractual restrictions. Subject to the foregoing, the Group intends to distribute at least 30% of its net result attributable to shareholders of Autoneum Holding Ltd. Dividends, if any, are expected to be declared and paid in Swiss francs.

3 CHANGE IN SCOPE OF CONSOLIDATION AND SIGNIFICANT TRANSACTIONS

There was no change in scope of consolidation in 2022. In 2021 Autoneum (Changsha) Management Co., Ltd. was liquidated.

4 SEGMENT INFORMATION

Segment information is based on Autoneum Group's internal organization and management structure as well as on the internal financial reporting to the Group Executive Board and the Board of Directors. The chief operating decision maker is the CEO.

Autoneum is the leading global automobile supplier in acoustic and thermal management for vehicles. Autoneum develops and produces multifunctional and lightweight components and systems for noise and heat protection and thereby enhances vehicle comfort.

The reporting is based on the following four reportable segments (Business Groups/BG): BG Europe, BG North America, BG Asia and BG SAMEA (South America, Middle East and Africa). "Corporate and elimination" include Autoneum Holding Ltd and the corporate center with its respective legal entities, an operation that produces parts for Autoneum's manufacturing lines, investments in associates and inter-segment elimination. Transactions between the Business Groups are made on the same basis as with independent third parties.

SEGMENT INFORMATION 2022

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate and elimination	Total Group
Third-party revenue	615.4	794.9	271.0	118.7	1 799.9	4.6	1 804.5
Inter-segment revenue	1.3	0.2	2.3	1.8	5.6	-5.6	-
Revenue	616.6	795.1	273.2	120.5	1 805.5	-1.0	1 804.5
EBITDA	43.9	9.6	54.8	25.1	133.3	18.7	152.1
in % of revenue	7.1%	1.2%	20.0%	20.9%	7.4%	n/a	8.4%
Depreciation, amortization and impairment	-38.1	-45.0	-23.2	-5.1	-111.5	-5.3	-116.7
EBIT	5.8	-35.5	31.5	20.0	21.9	13.5	35.4
in % of revenue	0.9%	-4.5%	11.5%	16.6%	1.2%	n/a	2.0%
Assets at December 31 ¹	450.5	617.8	242.4	67.1	1 377.7	94.2	1 471.9
Liabilities at December 31	337.5	430.1	133.6	44.3	945.6	94.3	1 039.9
Addition in tangible and intangible assets	29.4	10.7	9.0	3.2	52.4	0.9	53.3
Employees at December 31 ²	4 023	4 288	2 029	920	11 260	362	11 622

¹ Assets in "Corporate and elimination" include investments in associated companies in the amount of CHF 21.6 million, refer to note 15, page 97.

² Full-time equivalents including temporary employees.

SEGMENT INFORMATION 2021

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate and elimination	Total Group
Third-party revenue	635.7	686.9	278.2	93.7	1 694.5	5.9	1 700.4
Inter-segment revenue	1.2	0.1	2.8	1.0	5.2	-5.2	-
Revenue	636.9	687.0	281.0	94.7	1 699.6	0.8	1 700.4
EBITDA	73.6	10.2	62.1	20.5	166.4	13.4	179.8
in % of revenue	11.6%	1.5%	22.1%	21.7%	9.8%	n/a	10.6%
Depreciation, amortization and impairment	-41.4	-47.7	-22.7	-4.8	-116.6	-5.6	-122.3
EBIT	32.2	-37.5	39.3	15.7	49.7	7.8	57.5
in % of revenue	5.1%	-5.5%	14.0%	16.6%	2.9%	n/a	3.4%
Assets at December 31 ¹	446.6	628.9	279.4	56.5	1 411.4	90.6	1 502.0
Liabilities at December 31	332.2	463.0	156.3	42.3	993.7	57.0	1 050.8
Addition in tangible and intangible assets	24.5	11.3	13.1	4.6	53.4	1.0	54.4
Employees at December 31 ²	4 100	4 300	2 136	926	11 462	378	11 840

¹ Assets in "Corporate and elimination" include investments in associated companies in the amount of CHF 22.4 million, refer to note 15, page 97.

² Full-time equivalents including temporary employees.

REVENUE AND NON-CURRENT ASSETS BY COUNTRY

CHF million	Revenue ¹ 2022	Revenue ¹ 2021	Non-current assets ² 31.12.2022	Non-current assets ² 31.12.2021
USA	583.8	508.0	247.6	272.1
China	249.2	252.7	90.2	111.0
Germany	160.1	148.0	15.6	18.3
Mexico	139.7	106.1	75.1	77.2
France	101.9	109.8	22.6	23.9
Spain	81.0	77.7	23.4	26.4
Great Britain	79.3	102.1	18.0	23.0
Canada	71.7	74.4	7.1	8.7
Switzerland ³	2.4	2.3	72.0	77.8
Remaining countries	335.6	319.3	135.1	141.1
Total	1 804.5	1 700.4	706.9	779.6

¹ Revenue is disclosed by location of customers.

² Non-current assets consist of tangible assets, intangible assets and investments in associated companies.

³ Domicile of Autoneum Holding Ltd.

The following customers accounted for more than 10% of annual revenue in 2022 or 2021:

REVENUE WITH MAJOR CUSTOMERS

CHF million	2022	2021
BMW	282.4	263.7
Toyota	205.9	194.8
Ford	196.6	165.1

Information on revenue by product group is not available. The major customers generate revenue in all geographic segments.

When Autoneum is nominated by an OEM the contract includes that Autoneum will manufacture a tool which is sold to the OEM before the start of production and that Autoneum will produce and deliver serial parts to the OEM over the production period, which is usually between five and eight years. As the OEM's production volumes are continuously adapted to the market demand, the number of serial parts that Autoneum will deliver to the OEM can only be estimated. Autoneum expects that the contracts for which Autoneum was nominated as of December 31, 2022 will generate revenue of CHF 10.8 billion (December 31, 2021: CHF 10.2 billion) in future years.

5 EMPLOYEE EXPENSES

CHF million	2022	2021
Wages and salaries	-353.9	-350.5
Social security expenses	-96.0	-97.5
Pension expenses for defined contribution plans	-5.8	-5.6
Pension expenses for defined benefit plans	-5.6	-6.2
Other personnel expenses	-59.9	-51.2
Total	-521.2	-510.9

Autoneum started a long-term incentive plan (LTI) for the management in 2012. Part of Autoneum's net result is allocated to beneficiaries defined in advance by granting them shares of Autoneum Holding Ltd. The shares become property of the beneficiaries after a vesting period of 35 months, if the beneficiaries are then still employed by an Autoneum company. Immediate vesting occurs in case of death or retirement of

the beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the Nomination and Compensation Committee. Vesting occurs every year in April. Employee expenses resulting from share-based compensation in the course of the LTI are recognized over the vesting period. 3 315 shares (2021: no shares) valued at CHF 123.90 were granted in 2022, and expenses of CHF 0.1 million (2021: CHF 0.1 million) were recognized in wages and salaries.

Members of the Board of Directors receive part of their remuneration in Autoneum shares. 7 055 shares (2021: 5 414 shares) valued at CHF 121.47 (2021: CHF 178.02) were granted in 2022, and expenses of CHF 0.9 million (2021: CHF 1.0 million) were recognized in wages and salaries.

Members of the Group Executive Board receive part of their remuneration in Autoneum shares. 9 352 shares (2021: 6 273 shares) valued at a weighted average share price of CHF 117.74 (2021: CHF 182.74) were granted in 2022, and expenses of CHF 1.1 million (2021: CHF 1.1 million) were recognized in wages and salaries.

At the beginning of the 2020 financial year, the Board of Directors approved the one-off and extraordinary participation in a turnaround incentive plan (TIP), with a vesting period ending at the end of February 2023. According to the plan provisions, shares were granted exclusively in the 2020 financial year. The members of the Group's senior management including the Group Executive Board were granted an individual, maximum number of Autoneum shares on a one-off basis in the 2020 financial year. The shares become property of the beneficiaries after a vesting period of 35 months, if the beneficiaries are then still employed by an Autoneum company and if the targets set for the turnaround are achieved at the end of the term of the TIP. The targets set are based on the profitability (EBIT) and free cash flow of the Group for the financial years 2020 to 2022, both criteria weighted 50% each. Minimum and maximum limits are defined for the weighted targets. The achievement of the minimum limit is a condition for the transfer of shares. The maximum limit corresponds to the maximum number of shares originally granted. Between the two limits, the actual number of shares transferred increases linearly. The entitlement to the other shares lapses without compensation.

The actual number of shares transferred is calculated after the end of the vesting period at the end of February 2023 taking into account the turnaround targets. Employee expenses resulting from share-based compensation in the course of the TIP are recognized over the vesting period. 8 701 shares valued at CHF 60.80 were granted in 2020, and no expenses were recognized in wages and salaries in 2022 (2021: CHF 0.2 million).

6 OTHER EXPENSES

CHF million	2022	2021
Energy	-84.8	-58.2
Repairs and maintenance	-72.7	-62.9
Distribution and marketing expenses	-48.8	-43.7
Operating material	-18.9	-19.8
IT and office expenses	-15.8	-15.1
Insurance and other charges	-15.4	-17.4
Audit and consulting expenses	-10.7	-10.2
Lease expenses	-9.8	-10.3
Security expenses	-4.3	-4.6
Loss from disposal of tangible/intangible assets	-2.6	-1.5
Loss from disposal of subsidiary or business	-	-0.2
Miscellaneous expenses	-36.6	-31.7
Total	-320.5	-275.6

7 OTHER INCOME

CHF million	2022	2021
By-product income	19.0	16.4
Gain from disposal of tangible/intangible assets ¹	11.1	0.8
Rental income	1.7	1.1
Miscellaneous income	16.6	14.0
Total	48.4	32.3

¹ Gain from disposal of assets includes a real estate sale of CHF 10.8 million in Italy.

Miscellaneous income contains mainly income from release of unused provisions and various reimbursements among the Group.

8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

CHF million	2022	2021
Depreciation of tangible assets	-113.3	-118.8
Impairment of tangible assets	-0.3	-
Amortization of intangible assets	-3.1	-3.4
Total	-116.7	-122.3

9 FINANCIAL INCOME

CHF million	2022	2021
Interest income	1.1	1.8
Dividend income	0.9	1.0
Other financial income	1.8	1.0
Total	3.8	3.8

10 FINANCIAL EXPENSES

CHF million	2022	2021
Interest expenses	-19.8	-21.9
Net foreign exchange losses	-4.1	-0.3
Net loss on net monetary position from hyperinflationary accounting	-2.0	-1.8
Other financial expenses	-0.1	-
Total	-25.9	-24.0

Interest expenses include CHF 11.0 million (2021: CHF 11.8 million) interest expenses for lease liabilities, CHF 0.9 million (2021: CHF 0.9 million) amortization of transactions costs and CHF 0.5 million (2021: CHF 0.8 million) interest expenses for defined benefit plans.

11 INCOME TAXES

CHF million	2022	2021
Current income taxes	-17.3	-21.4
Deferred income taxes	12.6	11.1
Total	-4.7	-10.3

Reconciliation between expected and actual income tax result:

CHF million	2022	2021
Earnings before taxes	15.7	40.4
Average applicable income tax rate	24.9%	24.5%
Expected income tax result	-3.9	-9.9
Non-taxable income and non-deductible expenses	-0.6	-1.7
Current income taxes from prior periods	1.6	0.3
Current year losses for which no deferred income tax assets were recognized	-9.6	-7.1
Utilization of previously unrecognized tax loss carryforwards	3.7	4.1
Recognition of previously unrecognized or derecognition of tax loss carryforwards	13.3	3.2
Recognition of previously unrecognized or derecognition of deductible temporary differences	-3.0	2.3
Non-recoverable withholding taxes	-3.8	-3.9
Income taxes at other income tax rates or taxable base	-4.0	1.3
Impact of changes in income tax rates	1.0	1.0
Other effects	0.5	-0.1
Income tax expenses	-4.7	-10.3

The change in the average applicable income tax rate is mainly due to the different geographic composition of earnings before taxes.

Deferred income tax assets and liabilities pertain to the following balance sheet line items:

CHF million	Deferred income tax assets 31.12.2022	Deferred income tax liabilities 31.12.2022	Deferred income tax assets 31.12.2021	Deferred income tax liabilities 31.12.2021
Tangible assets	5.1	26.6	2.2	28.5
Intangible assets	1.2	-	1.3	-
Non-current financial assets	-	2.2	-	1.9
Employee benefit assets	-	1.5	-	2.0
Other non-current assets	0.3	7.1	0.4	11.2
Inventories	0.8	0.7	0.5	0.3
Other current assets	1.7	3.6	1.7	1.1
Employee benefit liabilities	0.7	1.0	1.0	0.9
Provisions	0.6	0.3	0.4	0.3
Other liabilities	8.2	3.1	12.6	6.6
Tax loss carryforwards and tax credits	39.8	-	33.5	-
Inflation adjustment	0.2	-	0.6	-
Subtotal	58.6	46.0	54.2	52.8
Offsetting	-25.7	-25.7	-30.9	-30.9
Total	32.9	20.3	23.3	21.9

The increase in the net deferred income tax asset by CHF 11.3 million (2021: change from a net deferred income tax liability of CHF 5.1 million to a net deferred income tax asset of CHF 1.4 million) relates to the

deferred income tax income recognized in the consolidated income statement of CHF 12.6 million (2021: CHF 11.1 million), to the deferred income tax expense recognized in other comprehensive income of nil (2021: CHF 3.2 million), a negative inflation adjustment of CHF 0.4 million (2021: positive inflation adjustment of CHF 0.4 million) and to a negative currency translation adjustment of CHF 0.9 million (2021: negative currency translation adjustment of CHF 1.9 million).

No deferred income tax assets are recognized from deductible temporary differences in the amount of CHF 119.8 million (December 31, 2021: CHF 127.4 million). At the reporting date, tax loss carryforwards of CHF 103.8 million (December 31, 2021: CHF 84.3 million) are recognized for Group companies that incurred losses in 2022 or 2021 (2021 or 2020) supported by taxable temporary differences and expected future profitability.

The table below discloses tax loss carryforwards by their year of expiry:

CHF million	Recognized ¹ 31.12.2022	Non-recognized ² 31.12.2022	Recognized ¹ 31.12.2021	Non-recognized ² 31.12.2021
Less than 3 years	6.7	3.8	0.7	3.7
In 3 to 7 years	14.4	13.6	14.1	16.1
Thereafter	127.5	348.8	108.8	367.6
Total	148.6	366.2	123.7	387.4

¹ Tax loss carryforwards for which deferred income tax assets are recognized.

² Tax loss carryforwards for which no deferred income tax assets are recognized.

The tax loss carryforwards for which no deferred income tax assets were recognized originate from countries with a deferred income tax rate of between 9% and 34% in both the reporting year and the prior year.

The table below discloses tax credits by their year of expiry:

CHF million	Recognized ¹ 31.12.2022	Non-recognized ² 31.12.2022	Recognized ¹ 31.12.2021	Non-recognized ² 31.12.2021
Less than 3 years	–	3.8	–	1.4
In 3 to 7 years	–	14.6	–	16.4
Thereafter	2.4	11.7	2.9	12.1
Total	2.4	30.2	2.9	29.9

¹ Tax credits for which deferred income tax assets are recognized.

² Tax credits for which no deferred income tax assets are recognized.

12 EARNINGS PER SHARE

		2022	2021
Net result attributable to shareholders of AUTN	CHF million	–2.3	22.8
Average number of shares outstanding	Number of shares	4 636 183	4 644 321
Average number of shares outstanding diluted	Number of shares	4 636 183	4 657 211
Basic earnings per share	CHF	–0.49	4.91
Diluted earnings per share	CHF	–0.49	4.90

The average number of shares outstanding is calculated based on the number of shares issued less the weighted average number of treasury shares held. At December 31, 2022, 7 206 shares in relation to the management's long-term incentive plan (LTI) and the turnaround incentive plan (TIP) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

13 TANGIBLE ASSETS**TANGIBLE ASSETS 2022**

CHF million	Land and buildings	Machinery and plant equipment	Data-processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2022	578.3	1 326.7	33.1	47.5	29.3	2 014.9
Application of IAS 29 ¹	0.2	14.2	0.4	0.4	-	15.3
Addition	6.4	4.8	0.8	6.1	34.4	52.6
Disposal	-9.9	-49.0	-1.5	-4.8	-0.5	-65.7
Modification	0.3	-	-	-0.1	-	0.1
Reclassification	2.6	26.1	1.9	0.9	-31.6	-
Inflation adjustment	0.8	11.2	0.3	0.3	-	12.7
Currency translation adjustment	-10.9	-34.6	-0.8	-1.4	-0.6	-48.3
Cost at December 31, 2022	567.8	1 299.5	34.4	49.0	31.1	1 981.7
Accumulated depreciation and impairment at January 1, 2022	-242.0	-963.6	-25.5	-33.8	-	-1 264.9
Application of IAS 29 ¹	-	-12.7	-0.4	-0.3	-	-13.4
Depreciation	-33.6	-69.3	-3.6	-6.8	-	-113.3
Impairment	-	-0.3	-	-	-	-0.3
Disposal	9.0	46.8	1.5	4.8	-	62.1
Reclassification	-	-	0.1	-0.1	-	-
Inflation adjustment	-	-8.9	-0.2	-0.2	-	-9.4
Currency translation adjustment	7.1	29.8	0.6	1.0	-	38.5
Accumulated depreciation and impairment at December 31, 2022	-259.6	-978.3	-27.5	-35.5	-	-1 300.7
Net book value at January 1, 2022	336.3	363.0	7.6	13.7	29.4	750.0
Net book value at December 31, 2022	308.2	321.2	6.9	13.5	31.1	681.0

¹ Refer to note 1.8 on page 73.

TANGIBLE ASSETS 2022 EXCLUDING RIGHT-OF-USE ASSETS

CHF million	Land and buildings	Machinery and plant equipment	Data-processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2022	260.4	1 315.3	32.3	32.2	29.3	1 669.6
Application of IAS 29 ¹	-	14.2	0.4	0.3	-	15.0
Addition	0.5	4.4	0.6	0.2	34.4	40.1
Disposal	-2.6	-46.4	-1.0	-1.1	-0.5	-51.6
Reclassification	2.6	26.1	1.9	0.9	-31.6	-
Inflation adjustment	-	11.2	0.3	0.2	-	11.8
Currency translation adjustment	-6.7	-34.4	-0.8	-0.7	-0.6	-43.1
Cost at December 31, 2022	254.3	1 290.4	33.9	32.1	31.1	1 641.7
Accumulated depreciation and impairment at January 1, 2022	-172.1	-957.8	-24.9	-25.7	-	-1 180.5
Application of IAS 29 ¹	-	-12.7	-0.4	-0.3	-	-13.4
Depreciation	-8.3	-67.0	-3.3	-2.3	-	-81.0
Impairment	-	-0.3	-	-	-	-0.3
Disposal	1.6	44.3	1.0	1.1	-	48.0
Reclassification	-	-	0.1	-0.1	-	-
Inflation adjustment	-	-8.9	-0.2	-0.2	-	-9.3
Currency translation adjustment	4.9	29.6	0.6	0.6	-	35.8
Accumulated depreciation and impairment at December 31, 2022	-173.9	-972.7	-27.1	-26.9	-	-1 200.6
Net book value at January 1, 2022	88.3	357.5	7.4	6.5	29.3	489.1
Net book value at December 31, 2022	80.4	317.7	6.7	5.2	31.1	441.1

¹ Refer to note 1.8 on page 73.

RIGHT-OF-USE ASSETS 2022

CHF million	Land and buildings	Machinery and plant equipment	Data-processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2022	317.9	11.3	0.8	15.3	–	345.3
Application of IAS 29 ¹	0.2	–	–	0.1	–	0.3
Addition	5.9	0.5	0.2	5.9	–	12.5
Disposal	–7.4	–2.5	–0.5	–3.7	–	–14.0
Modification	0.3	–	–	–0.1	–	0.1
Inflation adjustment	0.8	–	–	0.1	–	0.9
Currency translation adjustment	–4.3	–0.2	–	–0.8	–	–5.2
Cost at December 31, 2022	313.5	9.1	0.5	16.9	–	340.0
Accumulated depreciation and impairment at January 1, 2022	–69.9	–5.9	–0.5	–8.1	–	–84.4
Depreciation	–25.3	–2.3	–0.3	–4.5	–	–32.3
Disposal	7.4	2.5	0.5	3.7	–	14.0
Inflation adjustment	–	–	–	–	–	–0.1
Currency translation adjustment	2.2	0.1	–	0.4	–	2.7
Accumulated depreciation and impairment at December 31, 2022	–85.7	–5.5	–0.3	–8.6	–	–100.1
Net book value at January 1, 2022	248.0	5.5	0.3	7.2	–	260.9
Net book value at December 31, 2022	227.8	3.6	0.2	8.3	–	239.8

¹ Refer to note 1.8 on page 73.

TANGIBLE ASSETS 2021

CHF million	Land and buildings	Machinery and plant equipment	Data-processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2021	565.1	1 296.3	33.2	46.0	38.8	1 979.4
Addition	14.7	5.9	0.7	3.5	28.5	53.3
Disposal	–3.8	–21.7	–1.1	–3.0	–0.2	–29.8
Modification	–3.1	–	–	0.1	–	–2.9
Reclassification	2.1	35.0	–	1.1	–38.1	–
Inflation adjustment	–	3.1	0.1	–	–	3.1
Currency translation adjustment	3.3	8.0	0.3	–0.2	0.3	11.8
Cost at December 31, 2021	578.3	1 326.7	33.1	47.5	29.3	2 014.9
Accumulated depreciation and impairment at January 1, 2021	–211.3	–903.9	–24.1	–29.7	–	–1 168.9
Depreciation	–34.8	–73.0	–4.1	–7.0	–	–118.8
Disposal	3.6	19.8	1.1	2.9	–	27.5
Reclassification	0.4	–2.0	1.8	–0.1	–	–
Inflation adjustment	–	–2.3	–	–	–	–2.4
Currency translation adjustment	0.1	–2.2	–0.2	0.1	–	–2.3
Accumulated depreciation and impairment at December 31, 2021	–242.0	–963.6	–25.5	–33.8	–	–1 264.9
Net book value at January 1, 2021	353.8	392.4	9.1	16.4	38.8	810.5
Net book value at December 31, 2021	336.3	363.0	7.6	13.7	29.4	750.0

TANGIBLE ASSETS 2021 EXCLUDING RIGHT-OF-USE ASSETS

CHF million	Land and buildings	Machinery and plant equipment	Data-processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2021	257.8	1 284.9	32.4	30.8	38.8	1 644.7
Addition	0.1	4.6	0.7	0.3	28.5	34.1
Disposal	-0.3	-20.1	-1.0	-0.4	-0.2	-21.9
Reclassification	2.1	35.0	-	1.1	-38.1	-
Inflation adjustment	-	3.1	0.1	-	-	3.1
Currency translation adjustment	0.7	7.9	0.3	0.3	0.3	9.5
Cost at December 31, 2021	260.4	1 315.3	32.3	32.2	29.3	1 669.6
Accumulated depreciation and impairment at January 1, 2021	-163.2	-899.3	-23.7	-23.0	-	-1 109.2
Depreciation	-8.5	-70.3	-3.8	-3.0	-	-85.6
Disposal	0.1	18.2	1.0	0.3	-	19.7
Reclassification	0.4	-2.0	1.8	-0.2	-	-
Inflation adjustment	-	-2.3	-	-	-	-2.4
Currency translation adjustment	-0.9	-2.1	-0.2	0.1	-	-3.1
Accumulated depreciation and impairment at December 31, 2021	-172.1	-957.8	-24.9	-25.7	-	-1 180.5
Net book value at January 1, 2021	94.6	385.6	8.7	7.8	38.8	535.5
Net book value at December 31, 2021	88.3	357.5	7.4	6.5	29.3	489.1

RIGHT-OF-USE ASSETS 2021

CHF million	Land and buildings	Machinery and plant equipment	Data-processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2021	307.3	11.5	0.8	15.2	-	334.7
Addition	14.6	1.3	-	3.2	-	19.1
Disposal	-3.5	-1.6	-0.1	-2.6	-	-7.8
Modification	-3.1	-	-	0.1	-	-2.9
Currency translation adjustment	2.6	0.2	-	-0.5	-	2.2
Cost at December 31, 2021	317.9	11.3	0.8	15.3	-	345.3
Accumulated depreciation and impairment at January 1, 2021	-48.1	-4.6	-0.4	-6.6	-	-59.8
Depreciation	-26.3	-2.7	-0.3	-4.1	-	-33.3
Disposal	3.5	1.6	0.1	2.6	-	7.8
Currency translation adjustment	1.0	-0.2	-	-	-	0.8
Accumulated depreciation and impairment at December 31, 2021	-69.9	-5.9	-0.5	-8.1	-	-84.4
Net book value at January 1, 2021	259.2	6.8	0.4	8.6	-	275.0
Net book value at December 31, 2021	248.0	5.5	0.3	7.2	-	260.9

Tangible assets of CHF 0.5 million (December 31, 2021: CHF 0.4 million) are pledged as security for financial liabilities.

Lease accounting has impacted profit or loss and the consolidated statement of cash flows as follows:

CHF million	2022	2021
Lease expenses relating to short-term leases and low-value assets	-9.8	-10.3
Depreciation charge for right-of-use assets	-32.3	-33.3
Interest expenses on lease liabilities	-11.0	-11.8
Total recognized in profit or loss	-53.2	-55.5
Lease expenses paid relating to short-term leases and low-value assets	-9.8	-10.3
Interest paid on lease liabilities	-11.0	-11.8
Total recognized in cash flows from operating activities	-20.8	-22.2
Repayment of lease liabilities	-27.5	-28.1
Total recognized in cash flows used in financing activities	-27.5	-28.1
Total cash flows used for leases	-48.3	-50.3

IMPAIRMENT

Tangible assets are tested for impairment if there are indications that, due to changed circumstances, their carrying amount may no longer be recoverable. Neither in 2022 nor in 2021, material impairments have been identified as a result of this test and the carrying amount of the cash-generating units are recoverable.

14 INTANGIBLE ASSETS

CHF million	2022	2021
Cost at January 1	26.4	25.2
Addition	0.6	1.0
Disposal	-0.4	-
Currency translation adjustment	-0.9	0.1
Cost at December 31	25.7	26.4
Accumulated amortization at January 1	-19.2	-15.8
Amortization	-3.1	-3.4
Disposal	0.4	-
Currency translation adjustment	0.6	-
Accumulated amortization at December 31	-21.3	-19.2
Net book value at January 1	7.1	9.4
Net book value at December 31	4.4	7.1

The net book value of intangible assets contains mainly investments in an ERP system and does not include any internally generated intangible asset.

15 INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies comprise the 30% share in SRN Sound Proof Co., Ltd., Chonburi, Thailand, the 25% share in Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan, China, the 25% share in Wuhan Nittoku Autoneum Auto Parts Co. Ltd., Wuhan, China, and the 25% share in ATN Auto Acoustics Inc., Kamioguchi, Japan. The investments in associated companies are measured using the equity method. The net book value of investments in associated companies changed as follows:

CHF million	2022	2021
Net book value at January 1	22.4	20.5
Share of profit of associated companies	2.4	3.1
Dividends received	-2.0	-1.6
Currency translation adjustment	-1.2	0.4
Net book value at December 31	21.6	22.4

16 FINANCIAL ASSETS

CHF million	31.12.2022	31.12.2021
Investments in non-consolidated companies	20.2	23.1
Loans	0.6	0.5
Other financial assets	7.4	7.4
Total non-current portion	28.2	31.1
Loans	-	0.5
Total current portion	-	0.5

The decrease in investments in non-consolidated companies results from a change in the market value of the investment in Nihon Tokushu Toryo Co. Ltd. of CHF 2.9 million which is recognized in other comprehensive income.

17 OTHER ASSETS

CHF million	31.12.2022	31.12.2021
Capitalized preproduction costs	61.7	65.0
Contract assets	27.2	26.3
Other receivables	1.1	1.9
Total non-current portion	90.0	93.2
Accrued income	33.8	28.3
Non-income tax receivables	23.4	23.7
Contract assets	10.9	13.5
Fair value of derivative financial instruments	4.8	1.4
Deferred expenses	4.4	4.5
Advance payments to suppliers	2.9	2.1
Other receivables	15.6	7.3
Total current portion	95.8	80.8

Contract assets result mainly when tools are sold to the OEM and Autoneum is not reimbursed at the same point in time, but with a predefined part of the price of the serial products that are sold to the OEM over the production period. The contract assets are transferred to receivables when the right for payment becomes unconditional. This usually occurs when the Group issues an invoice to the customer, which is expected within the next year for the current portion and within the next two to eight years for the non-current portion.

The following table shows the movements in capitalized pre-production costs during the year:

CHF million	2022	2021
Net book value at January 1	65.0	67.4
Application of IAS 29 ¹	0.1	-
Capitalization of preproduction costs	13.6	14.1
Amortization of preproduction costs	-16.8	-17.2
Restatement by inflation	0.1	-
Currency translation adjustment	-0.3	0.8
Net book value at December 31	61.7	65.0

¹ Refer to note 1.8 on page 71.

Autoneum spent CHF 43.1 million (2021: CHF 45.4 million) on research and development in the period under review, whereof CHF 13.6 million (2021: CHF 14.1 million) were capitalized. The remaining portion was recognized as an expense in the period when incurred.

18 INVENTORIES

CHF million	31.12.2022	31.12.2021
Raw materials and consumables	33.3	32.7
Purchased parts	1.2	1.4
Finished goods	25.6	27.0
Work in progress	77.7	92.0
Allowance	-4.9	-4.8
Total	132.9	148.3

19 TRADE RECEIVABLES

CHF million	31.12.2022	31.12.2021
Trade receivables (gross)	254.2	223.6
Allowance for impairment	-3.7	-4.1
Total	250.4	219.5

The following table summarizes the movement in the allowance for impairment:

CHF million	2022	2021
Allowance at January 1	-4.1	-4.5
Addition	-0.9	-1.2
Utilization	0.3	0.7
Release	0.7	1.0
Currency translation adjustment	0.1	-
Allowance at December 31	-3.7	-4.1

Trade receivables comprise receivables due from customers with the below-mentioned credit rating. The rating systematic can be seen as being congruent to the rating categories applied by the largest worldwide known rating agencies like e.g. Fitch:

CHF million	31.12.2022	31.12.2021
A- or higher	93.0	94.5
BBB- to BBB+	72.5	55.8
BB+ or lower	65.9	55.5
Not rated	19.1	13.8
Total	250.4	219.5

At December 31, 2022 no trade receivables are pledged as security for financial liabilities (December 31, 2021: nil).

20 CASH AND CASH EQUIVALENTS

CHF million	31.12.2022	31.12.2021
Cash at banks	121.5	102.4
Time deposits with original maturities up to 3 months	2.1	1.3
Total	123.6	103.7

21 SHAREHOLDERS' EQUITY

Since the founding of Autoneum Holding Ltd on December 2, 2010 the number of registered shares has remained unchanged at 4 672 363, each with a nominal value of CHF 0.05 per share. The share capital amounts to CHF 233 618 and is composed as follows:

		31.12.2022	31.12.2021
Shares outstanding	Number of shares	4 638 085	4 646 570
Treasury shares	Number of shares	34 278	25 793
Total shares issued	Number of shares	4 672 363	4 672 363
Nominal value per share	CHF	0.05	0.05
Share capital	CHF	233 618	233 618

SHARE CAPITAL

The holders of shares are entitled to receive dividends and are entitled to one vote per share at General Meetings of the Company.

CONDITIONAL SHARE CAPITAL

For issuing convertible bonds, warranty bonds, and for granting shareholder options, the share capital can be increased by a maximum of 700 000 fully paid-up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 35 000. Furthermore, for the issuance of shares to employees of subsidiaries, the share capital can be increased by a maximum of 250 000 fully paid-up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 12 500.

TREASURY SHARES

The following transactions with treasury shares were performed during the financial year:

	2022 in shares	2022 in CHF million	2021 in shares	2021 in CHF million
Treasury shares at January 1	25 793	2.6	33 803	3.5
Purchase of treasury shares	23 500	2.9	5	-
Transfer of treasury shares	-15 015	-1.6	-8 015	-0.8
Treasury shares at December 31	34 278	4.0	25 793	2.6

CAPITAL RESERVE

The capital reserve originates from the contribution of the Autoneum companies to the Group in the course of the separation in 2011.

FAIR VALUE RESERVE

The fair value reserve contains changes in the fair value of listed non-consolidated investments. The reserve will be reclassified to retained earnings at disposal.

RETAINED EARNINGS

Retained earnings include accumulated earnings since the Group was established in December 2010.

CURRENCY TRANSLATION ADJUSTMENT

The currency translation adjustment comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities included in the consolidated financial statements.

CHANGES RESULTING FROM OTHER COMPREHENSIVE INCOME

The table below discloses changes resulting from other comprehensive income to each component of equity:

OTHER COMPREHENSIVE INCOME 2022

CHF million	Fair value reserve	Retained earnings	Currency transl. adjustm.	Total	Attributable to non-control- ling interests	Total equity
Currency translation adjustment	-	-	-13.1	-13.1	-2.8	-16.0
Inflation adjustment	-	4.4	-	4.4	0.5	4.9
Total items that will be reclassified to income statement	-	4.4	-13.1	-8.8	-2.3	-11.1
Remeasurement of defined benefit pension plans	-	2.7	-	2.7	-	2.7
Change in fair value of equity investments (FVOCI)	-2.9	-	-	-2.9	-	-2.9
Total items that will not be reclassified to income statement	-2.9	2.7	-	-0.3	-	-0.3
Total	-2.9	7.0	-13.1	-9.0	-2.4	-11.4

OTHER COMPREHENSIVE INCOME 2021

CHF million	Fair value reserve	Retained earnings	Currency transl. adjustm.	Total	Attributable to non-controlling interests	Total equity
Currency translation adjustment	-	-	7.1	7.1	1.7	8.8
Inflation adjustment	-	1.8	-	1.8	-	1.8
Total items that will be reclassified to income statement	-	1.8	7.1	8.9	1.7	10.6
Remeasurement of defined benefit pension plans	-	28.7	-	28.7	-	28.7
Change in fair value of equity investments (FVOCI)	-10.7	-	-	-10.7	-	-10.7
Income taxes	-	-3.2	-	-3.2	-	-3.2
Total items that will not be reclassified to income statement	-10.7	25.5	-	14.8	-	14.9
Total	-10.7	27.3	7.1	23.7	1.8	25.5

22 NON-CONTROLLING INTERESTS

The non-controlling interests derive from entities that are controlled by the Group (subsidiaries), but Autoneum has not all of the entities' capital rights. Those subsidiaries are listed in note 35 on page 112. Due to disclosure restrictions in shareholder agreements, information on significant non-controlling interests is only disclosed on an aggregated level. The table below sets out aggregated financial information of the subsidiaries with non-controlling interests:

CHF million	31.12.2022	31.12.2021
Non-current assets	192.3	218.8
Current assets	200.3	199.7
Non-current liabilities	-61.8	-87.1
Current liabilities	-140.9	-138.4
Net assets	189.8	193.0
Attributable to non-controlling interests	92.9	93.8
	2022	2021
Revenue	565.1	508.2
Net profit	27.4	17.7
Other comprehensive income	-5.0	3.4
Total comprehensive income	22.3	21.1
Attributable to non-controlling interests	10.9	9.1
Cash flows from operating activities	60.3	34.9
Cash flows used in investing activities	-6.8	-9.2
Cash flows used in financing activities	-51.9	-46.8
Change in cash and cash equivalents	1.6	-21.0

23 BORROWINGS

CHF million	Bonds	Bank debts	Lease liabilities	Other borrowings	Total
Borrowings at January 1, 2022	174.8	164.4	282.3	15.9	637.4
Proceeds	-	48.2	-	-	48.2
Repayment	-	-28.1	-27.5	-0.3	-56.0
Cash flows	-	20.1	-27.5	-0.3	-7.7
Addition	-	-	12.9	-	12.9
Increase in present value	0.1	0.8	-	-	0.9
Currency translation adjustment	-	0.1	-4.8	-	-4.7
Non-cash changes	0.1	1.0	8.2	-	9.2
Borrowings at December 31, 2022	174.9	185.5	263.0	15.5	638.8
Thereof non-current	99.9	163.6	229.3	1.3	494.0
Thereof current	75.0	21.9	33.7	14.2	144.8

CHF million	Bonds	Bank debts	Lease liabilities	Other borrowings	Total
Borrowings at January 1, 2021	174.7	363.2	292.1	55.8	885.8
Proceeds	-	5.7	-	-	5.7
Repayment	-	-206.8	-28.1	-40.2	-275.1
Cash flows	-	-201.2	-28.1	-40.2	-269.5
Addition	-	-	19.1	-	19.1
Increase in present value	0.1	0.8	-	-	0.9
Modification	-	-	-3.1	-	-3.1
Currency translation adjustment	-	1.5	2.4	0.3	4.3
Non-cash changes	0.1	2.3	18.4	0.3	21.1
Borrowings at December 31, 2021	174.8	164.4	282.3	15.9	637.4
Thereof non-current	174.8	0.6	247.4	10.9	433.6
Thereof current	-	163.8	35.0	5.0	203.8

On July 4, 2016 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 75.0 million, which is listed on the SIX Swiss Exchange (AUH16, ISIN: CH0326213904). The bond carries a coupon rate of 1.125% and has a term of seven years with a final maturity on July 4, 2023. On December 31, 2022 the market value of the bond was CHF 73.4 million (December 31, 2021: CHF 75.3 million).

On December 8, 2017 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 100.0 million, which is listed on the SIX Swiss Exchange (AUT17, ISIN: CH0373476032). The bond carries a coupon rate of 1.125% and has a term of eight years with a final maturity on December 8, 2025. On December 31, 2022 the market value of the bond was CHF 96.0 million (December 31, 2021: CHF 99.7 million).

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 350.0 million, whereof CHF 164.9 million was drawn at year-end (December 31, 2021: CHF 131.4 million). The line of credit may partly be used as a guarantee facility. On June 29, 2020 the former long-term credit agreement was amended, among other things, with regards to the financial covenants. The final maturity date remained unchanged at December 31, 2022. On October 31, 2022 a new loan agreement in the amount of CHF 350.0 million with a syndicate of banks led by UBS and Credit Suisse was signed. The new loan agreement has a final maturity date at October 31, 2027 and replaces the syndicated loan, which was due to run until December 31, 2022. The interest rate is based on the SARON rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. An adjusted ratio of net debt to EBITDA represents the customary financial covenant of that agreement. Compliance with financial covenants is checked on a regular basis and reported to the banking syndicate. In the fiscal years 2022 and 2021, the financial covenants were met at all times.

In addition to the aforementioned bonds and the long-term credit agreement, local credit limits and borrowings with individual customary market conditions exist in several countries.

In 2021, the subordinated shareholder loans from 2019 were repaid. Further information is disclosed in note 30 on page 110.

The borrowings are denominated in the following currencies:

CHF million	31.12.2022	31.12.2021
CHF	368.8	338.5
USD	163.8	175.0
EUR	50.3	54.2
CNY	36.6	41.2
Other	19.3	28.5
Total	638.8	637.4

24 EMPLOYEE BENEFITS

CHF million	31.12.2022	31.12.2021
Post-employment benefit liabilities	10.3	17.5
Other long-term employee benefits	5.2	5.5
Employee benefit liabilities	15.5	22.9

In the reporting period, total expenses for pensions in the amount of CHF 11.9 million have been recognized as employee expenses and interest expenses (2021: CHF 12.6 million).

Some employees participate in defined contribution plans whose insurance benefit results solely from the paid contributions and the return on investment on the plan asset. The other employees participate in defined benefit plans that are based upon direct benefits of the Autoneum Group.

DEFINED CONTRIBUTION PLANS

The expenses for defined contribution plans totaled CHF 5.8 million in the current reporting period (2021: CHF 5.6 million).

DEFINED BENEFIT PLANS

Autoneum maintains defined benefit pension plans in Switzerland, the USA, Canada, Great Britain, France and the Netherlands. The most significant pension plans are those in Switzerland and the USA. Those plans sum up to 78.3% (December 31, 2021: 76.3%) of the Group's defined benefit obligation and 79.8% (December 31, 2021: 78.0%) of the Group's plan assets.

The status of the defined benefit plans at year-end was as follows:

CHF million	2022	2021
Switzerland		
Fair value of plan assets at December 31	131.9	146.7
Present value of defined benefit obligation at December 31	-119.1	-137.7
Asset ceiling	-9.2	-
Surplus/(deficit) at December 31	3.6	9.0
USA		
Fair value of plan assets at December 31	27.7	34.5
Present value of defined benefit obligation at December 31	-31.9	-41.5
Deficit at December 31	-4.2	-7.0
Other countries		
Fair value of plan assets at December 31	40.5	51.0
Present value of defined benefit obligation at December 31	-41.8	-55.7
Deficit at December 31	-1.3	-4.6
Total deficit at December 31	-1.9	-2.6
Recognized in the balance sheet		
as employee benefit assets	8.4	14.9
as employee benefit liabilities	10.3	17.5

SWISS PENSION PLANS

Pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The Group's pension plans are administered by separate legal foundations, which are funded by regular employee and company contributions. Plan participants are insured against the financial consequences of old age, disability and death. The most senior governing body of the pension plan is the Board of Trustees. The Board of Trustees is responsible for the investment of the plan assets. All investment decisions made by the Board of Trustees need to conform to the guidelines set out in a long-term investment strategy. This strategy is based on legal requirements, expected future contributions and expected future obligations and is reassessed at least once a year. All governing and administration bodies have an obligation to act in the interests of the plan participants. The final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plans are treated as defined benefit plans for the purposes of these IFRS financial statements, although they have many characteristics of defined contribution plans. Retirement benefits are based on the accumulated savings capital, which can either be drawn as a lifelong pension or as a lump-sum payment. The pension is calculated by multiplying the balance of the savings capital with the applicable conversion rate. The plan is exposed to actuarial risks, such as longevity risk (underlying mortality table BVG 2020), interest rate risk and market (investment) risk. In case of underfunding, the Board of Trustees is required to take the necessary measures to ensure that full funding can be expected to be restored within a reasonable period. The measures may include increasing employee and company contributions, lowering the interest rate on retirement account balances or reducing prospective benefits.

US PENSION PLANS

Autoneum maintains five defined benefit pension plans in the USA. Four of those plans are funded and one plan is unfunded. The defined benefit plans in the USA have been closed to new members. New employees in the USA join defined contribution plans. In addition, Autoneum participates in one multi-employer defined benefit plan subject to a collective bargaining agreement between the union and the employer. The rate of contributions are governed by the collective bargaining agreement and the fund met the minimum funding requirements of Employee Retirement Income Security Act of 1974 (ERISA).

Under the standard withdrawal liability process, an employer is subject to a withdrawal liability based on its allocation percentage multiplied by the unfunded vested benefit. An employer can be liable for other entities' obligations if a mass withdrawal occurs. By providing benefits to certain union-represented employees, the plan would qualify as a defined benefit plan. However, as sufficient information on the asset base, the pension portfolio and the allocation of plan assets are not available, Autoneum accounts for it as a defined contribution plan. The audited financial statements of the plan were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As of January 1, 2021 the plan had assets of USD 385.4 million and accrued liabilities (immediate gains method) of USD 584.2 million. In the period under review, Autoneum contributed USD 0.9 million to the plan. In 2021, Autoneum contributed USD 1.0 million (11.0%) to the plan, whereas the total contributions of all participating employers together were USD 9.4 million. The expected contributions to the plan for 2023 are USD 1.2 million. Although this plan is in an underfunded status, Autoneum currently has no obligation.

PENSION PLANS IN OTHER COUNTRIES

Autoneum maintains defined benefit plans in Canada, Great Britain, France and in the Netherlands. The pension plan in Canada is closed to new members. The plan is funded, and the majority of the contributions are paid by the employer. The pension plan in Great Britain is funded and has been closed to new members. New employees join a defined contribution plan. The plan in France is unfunded and settled by the employer while the plan in the Netherlands is funded and has been closed to new members.

The movement in the defined benefit obligation for all pension plans over the year was as follows:

CHF million	2022	2021
Defined benefit obligation at January 1	234.8	248.2
Current service cost	5.6	6.2
Interest expenses	2.8	2.5
Remeasurement gains and losses	-42.5	-9.6
Employee contributions	2.7	2.7
Benefits paid	-9.0	-18.0
Currency translation adjustment	-1.7	2.8
Defined benefit obligation at December 31	192.8	234.8

The movement in the fair value of plan assets for all pension plans over the year was as follows:

CHF million	2022	2021
Fair value of plan assets at January 1	232.3	219.0
Interest income	2.3	1.7
Return on plan assets excluding interest income	-30.6	19.1
Employer contributions	4.2	4.8
Employee contributions	2.7	2.7
Benefits paid	-9.0	-17.7
Currency translation adjustment	-1.8	2.6
Fair value of plan assets at December 31	200.1	232.3

The major categories of plan assets were as follows:

CHF million	31.12.2022	31.12.2021
Equity	102.5	121.4
Debt	44.6	53.9
Real estate	39.7	39.2
Cash	8.1	12.7
Other	5.2	4.9
Total	200.1	232.3

All equity and debt instruments are listed on a stock exchange.

The amounts recognized in profit or loss were as follows:

CHF million	2022	2021
Current service cost	-5.6	-6.2
Net interest expenses	-0.5	-0.8
Pension expenses for defined benefit plans	-6.1	-7.0
Recognized in the income statement:		
as employee expenses	-5.6	-6.2
as interest expenses	-0.5	-0.8

The amounts recognized in profit or loss result from plans in the following regions:

CHF million	2022	2021
Expenses from defined benefit plans in Switzerland	-4.3	-5.0
Expenses from defined benefit plans in the USA	-0.9	-1.0
Expenses from defined benefit plans in other countries	-0.9	-1.1
Total	-6.1	-7.0

The expected employer contributions for the Group's defined benefit pension plans for 2023 amount to CHF 3.8 million. The expected benefit payments for 2023 are CHF 5.6 million.

The effect from remeasurement of the defined benefit pension plans recognized in other comprehensive income is as follows:

CHF million	2022	2021
Remeasurement gains and losses		
from changes in demographic assumptions	-0.4	6.0
from changes in financial assumptions	50.4	6.6
from experience adjustment	-7.6	-3.0
Return on plan assets excluding interest income	-30.6	19.1
Asset ceiling	-9.2	-
Total	2.7	28.7

The table below discloses the main actuarial assumptions at year-end:

Weighted average of all pension plans		31.12.2022	31.12.2021
Discount rate	in %	3.2	1.2
Expected future salary growth	in %	1.0	0.7
Expected future pension growth	in %	0.1	0.1
Life expectancy for females at age of 65	in years	24.0	23.9
Life expectancy for males at age of 65	in years	22.0	21.9

At December 31, 2022 the weighted average duration of the defined benefit obligation was 13.5 years (December 31, 2021: 15.6 years).

The table below shows the results of the sensitivity analysis. It was analyzed how expected changes in the discount rate, in future salary and pension growth, and in the life expectancy would impact the defined benefit obligation. Changes in these parameters would have the following effect on the defined benefit obligation:

CHF million	31.12.2022	31.12.2021
Increase in discount rate by 0.25 percentage point	-6.5	-8.9
Decrease in discount rate by 0.25 percentage point	6.6	9.5
Increase in future salary growth by 0.5 percentage point	1.6	2.4
Decrease in future salary growth by 0.5 percentage point	-1.7	-2.4
Increase in future pension increase by 0.25 percentage point	2.3	3.4
Decrease in future pension increase by 0.25 percentage point	-2.2	-3.3
Increase in life expectancy by one year	4.7	6.9
Decrease in life expectancy by one year	-4.3	-6.2

25 PROVISIONS

CHF million	Guarantee and warranty	Litigation and tax risk	Environmental	Other	Total
Provisions at January 1, 2022	0.8	5.5	3.9	8.0	18.2
Addition	-	0.6	-	3.3	3.9
Utilization	-	-3.1	-	-1.5	-4.6
Release	-0.8	-1.1	-3.7	-6.3	-11.9
Currency translation adjustment	-	0.3	-0.1	-	0.2
Provisions at December 31, 2022	-	2.1	0.1	3.6	5.8
Thereof non-current	-	0.2	-	1.8	2.0
Thereof current	-	1.9	0.1	1.8	3.8

Litigation and non-income tax risk provisions comprise provisions for expected costs resulting from investigations and proceedings of government agencies, provisions for court cases, such as claims brought by workers for health- or accident-related incidents, and provisions for non-income tax risk. The majority of litigation and non-income tax risk provisions are expected to be used within the next year.

Environmental provisions contain the estimated costs for the clean-up of contaminated sites due to past industrial operations. In the reporting period, the Group released unused environmental provisions within Business Group Europe. Based on an updated risk assessment a cash outflow for cleaning up of contaminated sites is considered to be unlikely.

Other provisions are made for contracts where the unavoidable costs to fulfill the obligation are greater than the expected economic benefits, as well as for other constructive or legal liabilities of Group companies. The net decrease of other provisions is mainly caused by successful negotiations. The majority of other non-current provisions are expected to be used in one to three years.

26 OTHER LIABILITIES

CHF million	31.12.2022	31.12.2021
Advance payments from customers	8.5	6.0
Deferred income	0.8	0.7
Other payables	0.8	1.0
Total non-current portion	10.2	7.7
Accrued expenses	110.3	92.7
Advance payments from customers	31.0	42.6
Non-income tax payables	13.8	11.0
Accrued holidays and overtime	8.3	9.1
Deferred income	2.1	1.9
Fair value of derivative financial instruments	1.4	0.4
Other payables	12.0	12.5
Total current portion	178.9	170.1

Advance payments from customers qualify as contract liabilities and stem primarily from the sale of tools to the OEM which could already be invoiced, but the final acceptance from the OEM is still missing and consequently revenue is not yet recognized. The current portion of advance payments from customers is usually recognized as revenue within the next twelve months. No material amount of revenue was recognized in 2022 or in 2021 from performance obligations that were satisfied in previous periods.

27 OTHER COMMITMENTS

At year-end, open commitments for investments in tangible and intangible assets amounted to CHF 11.6 million (December 31, 2021: CHF 5.6 million).

28 CONTINGENT LIABILITIES

There are no single matters pending that Autoneum expects to be material in relation to the Group's business, financial position or results of operations.

29 FINANCIAL INSTRUMENTS

The following tables summarize all financial instruments classified by categories according to IFRS 9:

CHF million	31.12.2022	31.12.2021
Fair value of derivative financial instruments ¹	4.8	1.4
Total financial assets at fair value through profit or loss	4.8	1.4
Cash at banks	121.5	102.4
Time deposits with original maturities up to 3 months	2.1	1.3
Trade receivables	250.4	219.5
Other receivables	16.7	9.3
Accrued income	33.8	28.3
Loans	0.6	1.1
Other financial assets	7.4	7.4
Total financial assets at amortized cost	432.5	369.3
Investments in non-consolidated companies ²	20.2	23.1
Total financial assets at fair value through other comprehensive income	20.2	23.1
Total	457.6	393.8

CHF million	31.12.2022	31.12.2021
Borrowings	638.8	637.4
Trade payables	160.2	160.5
Accrued expenses	110.3	92.7
Other payables	12.8	13.4
Total financial liabilities at amortized cost	922.1	904.0
Fair value of derivative financial instruments ¹	1.4	0.4
Total financial liabilities at fair value through profit or loss	1.4	0.4
Total	923.5	904.4

¹ Measured at fair values that are calculated based on observable market data (level 2).

² Measured at fair values that are based on quoted prices in active markets (level 1).

Borrowings comprise two bonds with a total net book value of CHF 174.9 million (December 31, 2021: CHF 174.8 million) and a total fair value of CHF 169.4 million (December 31, 2021: CHF 175.0 million) based on quoted prices in active markets. The fair value of the discounted contractual future cash flows is equal to the carrying amount of the variable interest bank borrowings. Refer to note 23 on page 102 for further information. The book values of other financial instruments measured at amortized cost correspond to their fair values.

30 RELATED PARTIES

Related parties are members of the Board of Directors and the Executive Board or close members of that person's family, pension funds, associated companies as well as companies controlled by significant shareholders. At December 31, 2022 Artemis Beteiligungen I Ltd, Hergiswil, Switzerland, and Michael Pieper, Hergiswil, Switzerland, held 22.62% of the shares of the Company (at December 31, 2021 Artemis Beteiligungen I Ltd, Hergiswil, Switzerland, and Michael Pieper, Hergiswil, Switzerland, held 22.47% of the shares of the Company).

In 2019, Artemis Beteiligungen I Ltd and PCS Holding Ltd granted a subordinated loan of CHF 20.0 million each and with an interest rate of 4.0%. As the agreed financial ratio has been reached in two consecutive financial quarters, the two subordinated shareholder loans of CHF 20.0 million each were repaid in 2021.

The pension fund of an Autoneum Group entity granted a loan to the Company. The loan bears an interest rate of 1.0% (December 31, 2021: 0.35%) and is due within six days upon cancellation of the agreement by either the lender or the borrower.

The total remuneration to the Board of Directors and to the Group Executive Board was as follows:

CHF million	2022	2021
Short-term benefits	4.5	4.7
Share-based payments	2.0	2.2
Post-employment benefits	0.1	0.1
Total	6.7	7.0

The compensation of the Board of Directors and of the Group Executive Board is disclosed in the Remuneration Report on pages 131–135.

Year-end balances with related parties were as follows:

CHF million	31.12.2022	31.12.2021
Current borrowings due to pension funds	5.0	5.0
Bonus accruals for Group Executive Board	1.4	1.9
Total	6.4	6.9

31 NET DEBT

CHF million	31.12.2022	31.12.2021
Cash and cash equivalents	-123.6	-103.7
Bonds	174.9	174.8
Bank debts	185.5	164.4
Other borrowings	15.5	15.9
Net debt excl. lease liabilities	252.2	251.4
Lease liabilities	263.0	282.3
Net debt	515.2	533.7

32 EXCHANGE RATES FOR CURRENCY TRANSLATION

CHF	ISO code	Units	Average rate 2022	Average rate 2021	Year-end rate 2022	Year-end rate 2021
Argentine peso	ARS	100	0.52	0.97	0.52	0.89
Brazilian real	BRL	1	0.18	0.17	0.17	0.16
Canadian dollar	CAD	1	0.73	0.73	0.68	0.72
Chinese yuan	CNY	100	14.16	14.14	13.38	14.35
Czech koruna	CZK	100	4.09	4.20	4.08	4.16
Euro	EUR	1	1.01	1.08	0.98	1.04
Pound sterling	GBP	1	1.18	1.25	1.11	1.23
Indian rupee	INR	100	1.21	1.23	1.12	1.23
Mexican peso	MXN	100	4.75	4.48	4.72	4.46
Polish zloty	PLN	100	21.49	23.61	21.04	22.55
Russian ruble	RUB	100	1.43	1.23	1.26	1.22
Thai baht	THB	100	2.72	2.86	2.67	2.74
Turkish lira	TRY	100	4.93	10.45	4.93	7.04
United States dollar	USD	1	0.95	0.91	0.92	0.91
South African rand	ZAR	100	5.85	6.13	5.44	5.75

33 EVENTS AFTER BALANCE SHEET DATE

Autoneum signed an agreement to acquire the automotive business of Borgers on January 6, 2023. The transaction is expected to close in April 2023 following antitrust clearance. The enterprise value paid amounts to EUR 117.0 million. The transaction will initially be financed through a new credit facility which is available in addition to the syndicated loan of CHF 350.0 million renewed on October 31, 2022. A capital increase in the amount of approximately CHF 100.0 million is planned for the long-term refinancing of the acquisition.

34 PROPOSAL OF THE BOARD OF DIRECTORS

For the financial year 2022 the Board of Directors proposes to the Annual General Meeting on March 23, 2023 no dividend to be distributed. In 2022, a dividend of CHF 1.50 was distributed to the shareholders of Autoneum Holding Ltd for the financial year 2021.

35 SUBSIDIARIES, ASSOCIATED COMPANIES AND NON-CONSOLIDATED INVESTMENTS

			Nominal capital in millions	Subsidiaries	Associated companies	Non-cons. investments	Voting & capital rights	Research & technology	Application developm.	Production & supply	Service & financing
Switzerland	Autoneum Holding Ltd, Winterthur	CHF	0.2	•			100%				•
	Autoneum International Ltd, Winterthur	CHF	7.0	•			100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•			100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•			100%		•	•	
Argentina	Autoneum Argentina S.A., Córdoba	ARS	22.5	•			100%				•
Belgium	Autoneum Belgium NV, Genk	EUR	8.0	•			100%				•
Brazil	Autoneum Brasil Têxteis Acústicos Ltda., São Paulo	BRL	201.6	•			100%		•	•	
Canada	Autoneum Canada Ltd., Tillsonburg	CAD	-	•			100%				•
China	Autoneum (Chongqing) Sound-Proof Parts Co., Ltd., Chongqing	CNY	49.3	•			100%				•
	Autoneum (Shenyang) Sound-Proof Parts Co., Ltd., Shenyang	CNY	49.2	•			100%				•
	Autoneum (Shanghai) Management Co., Ltd., Shanghai	CNY	13.2	•			100%		•	•	
	Autoneum (Yantai) Co., Ltd., Yantai	CNY	34.5	•			100%				•
	Autoneum (Pinghu) Co., Ltd., Pinghu	CNY	144.9	•			100%				•
	Autoneum (Tianjin) Co., Ltd., Tianjin	CNY	17.0	•			100%				•
	Autoneum Nittoku (Guangzhou) Automotive Sound-Proof Co., Ltd., Guangzhou	CNY	75.8	•			51%				•
	Tianjin Autoneum Nittoku Automotive Sound-Proof Co., Ltd., Tianjin	CNY	47.2	•			51%				•
	Wuhan Nittoku Autoneum Sound-Proof Co., Ltd., Wuhan	CNY	89.6	•			25%				•
Wuhan Nittoku Autoneum Auto Parts Co., Ltd., Wuhan	CNY	81.0	•			25%				•	
Czech Republic	Autoneum CZ s.r.o., Choceň	CZK	206.2	•			100%				•
France	Autoneum Holding France SAS, Lyon	EUR	39.8	•			100%				•
	Autoneum France SAS, Aubergenville	EUR	8.0	•			100%		•	•	
Germany	Autoneum Germany GmbH, Rossdorf	EUR	11.2	•			100%				•
Great Britain	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	57.0	•			100%				•
Hungary	Autoneum Hungary Ltd., Komárom	EUR	-	•			100%				•
India	Autoneum India Pvt. Ltd., New Delhi	INR	571.4	•			100%				•
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•			51%				•
Indonesia	PT Tuffindo Nittoku Autoneum, Karawang	IDR	162 666.0		•		9%				•
Italy	Porfima Uno S.r.l., Torino	EUR	-	•			100%				•
Japan	Nihon Tokushu Toryo Co. Ltd., Tokyo	JPY	4 753.0		•		13%	•	•	•	•
	ATN Auto Acoustics Inc., Kamioguchi	JPY	100.0	•			25%		•		
Korea	Autoneum Korea Ltd., Seoul	KRW	264.0	•			100%				•
Mexico	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	45.0	•			100%				•
	Autoneum Mexico Operations, S.A. de C.V., San Luis Potosí	MXN	803.9	•			100%				•
	Autoneum Mexico Servicios, S.A. de C.V., San Luis Potosí	MXN	3.1	•			100%				•
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•			50%				•
Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•			50%				•	
Poland	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•			100%		•	•	
Portugal	Autoneum Portugal Lda., Setúbal	EUR	0.6	•			87%				•
Russia	Autoneum Rus LLC, Ryazan	RUB	0.8	•			100%				•
South Africa	Autoneum Feltex (Pty) Ltd., Rosslyn	ZAR	-	•			51%				•
Spain	Autoneum Spain S.A.U., Sant Cugat del Vallés	EUR	5.8	•			100%				•
Thailand	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•			30%				•
	Summit & Autoneum (Thailand) Co., Ltd., Chonburi	THB	16.0	•			51% ¹				•
Türkiye	Autoneum Erkurt Otomotiv A.S., Bursa	TRY	2.5	•			51%				•
USA	Autoneum America Corporation, Novi	USD	-	•			100%				•
	Autoneum North America, Inc., Novi	USD	-	•			100%		•	•	
	UGN Inc., Downers Grove	USD	-	•			50%		•	•	

¹ Autoneum has 49% of the capital rights.



Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Autoneum Holding Ltd and its subsidiaries (the Group), which comprise the consolidated statement of balance sheet as at 31 December 2022 and the consolidated income statement, statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 66 to 112) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) 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 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



Revenue Recognition



Revenue Recognition

Key Audit Matter

Total consolidated revenue of the financial year 2022 amounted to CHF 1 804.5 million (2021: CHF 1 700.4 million).

Revenue is a key performance indicator and therefore in the focus of internal and external stakeholders. The Group recognizes revenue when it transfers control over a good or service to its customers.

The majority of the Group's revenue relates to the sale of serial parts to Original Equipment Manufacturers (OEM) over a production period of usually five to eight years. Revenue from the sale of the serial parts is recognized at the point in time when control of the parts is transferred to the OEM in accordance with the agreed delivery terms.

There is a risk that revenue may be recognized in the wrong accounting period.

Our response

Our audit procedures included, amongst others, inquiring of management regarding significant new contracts and their assessment of existing contracts.

We gained an understanding of the internal controls and processes with respect to revenue recognition and performed testing of key controls. This included walkthroughs and where appropriate testing operating effectiveness of internal controls.

We took a sample of transactions before and after the year-end and agreed the details of these transactions to underlying documentation such as the contractual terms, to assess that revenue has been recognized in the appropriate period and in the appropriate amount.

Furthermore, we assessed the Group's disclosures relating to revenue recognition.

For further information on revenue recognition refer to the following:

- Significant accounting policies, Note 1.22 Revenue Recognition

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 of the company, the remuneration report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS 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, ISAs 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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 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 consolidated financial statements according to the instructions of the Board of Directors.

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

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Kathrin Schünke
Licensed Audit Expert

Zurich, February 28, 2023

Income statement of Autoneum Holding Ltd

CHF million	Notes	2022	2021
Income			
Dividend income		46.9	56.7
Financial income	(2)	4.5	13.5
License income		3.6	3.5
Total income		55.0	73.8
Expenses			
Valuation adjustments on investments and loans	(3)	-3.9	-2.6
Financial expenses	(4)	-6.6	-7.9
Administration expenses		-8.4	-8.2
Taxes		-0.3	-0.2
Total expenses		-19.2	-18.9
Net profit		35.8	54.9

Balance sheet of Autoneum Holding Ltd

CHF million	Notes	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents		4.7	0.3
Loans and financial receivables	(6)	106.6	122.8
Accrued income and deferred expenses	(7)	10.5	6.3
Current assets		121.7	129.4
Loans and financial receivables	(6)	314.0	295.0
Investments	(8)	522.9	467.4
Non-current assets		836.8	762.4
Total assets		958.6	891.8
Liabilities and shareholders' equity			
Borrowings	(9)	128.7	156.8
Other liabilities	(10)	0.9	0.1
Deferred income and accrued expenses	(11)	8.7	7.3
Current liabilities		138.4	164.2
Borrowings	(9)	240.0	175.0
Non-current liabilities		240.0	175.0
Liabilities		378.4	339.2
Share capital	(12)	0.2	0.2
Legal capital reserves	(12)	350.0	350.0
Retained earnings			
Balance brought forward		198.1	150.2
Net profit		35.8	54.9
Treasury shares	(12)	-4.0	-2.6
Shareholders' equity		580.2	552.6
Total liabilities and shareholders' equity		958.6	891.8

Notes to the financial statements of Autoneum Holding Ltd

1 PRINCIPLES

GENERAL

Autoneum Holding Ltd was incorporated on December 2, 2010 as a Swiss corporation domiciled in Winterthur. The Company does not have any employees.

The financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

LOANS AND FINANCIAL RECEIVABLES

Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized. In the case where the currency effect of loans is hedged, both unrealized losses and gains are recognized.

TREASURY SHARES

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a sale, the gain or loss is recognized in the income statement as financial income or financial expenses.

BONDS AND BANK DEBTS

Borrowings are recognized in the balance sheet at nominal value. The issue costs for the bonds and for finance agreements are recognized as accrued income and deferred expenses due from third parties and amortized on a straight-line basis over the maturity period.

INVESTMENTS

Investments are valued using the single-item approach.

2 FINANCIAL INCOME

CHF million	2022	2021
Interest income	4.2	8.5
Net foreign exchange gains	-	4.4
Other financial income	0.4	0.6
Total	4.5	13.5

3 VALUATION ADJUSTMENTS ON INVESTMENTS AND LOANS

CHF million	2022	2021
Increase of valuation adjustments on investments	-3.9	-5.4
Reversal of valuation adjustments on loans due from third parties	-	2.8
Total	-3.9	-2.6

4 FINANCIAL EXPENSES

CHF million	2022	2021
Interest expenses	-5.5	-7.0
Net foreign exchange losses	-0.1	-
Other financial expenses	-0.9	-0.9
Total	-6.6	-7.9

5 EXTRAORDINARY EXPENSES

There are no extraordinary expenses in 2022 and 2021.

6 LOANS AND FINANCIAL RECEIVABLES

CHF million	31.12.2022	31.12.2021
Loans due from subsidiaries	86.0	107.6
Loans due from third parties	-	0.5
Cash pool receivables due from subsidiaries	20.6	14.6
Total current portion	106.6	122.8
Loans due from subsidiaries	314.0	295.0
Total non-current portion	314.0	295.0

7 ACCRUED INCOME AND DEFERRED EXPENSES

CHF million	31.12.2022	31.12.2021
Accrued income and deferred expenses due from third parties	6.3	2.4
Accrued income and deferred expenses due from subsidiaries	4.2	3.9
Total	10.5	6.3

8 INVESTMENTS

The subsidiaries, associated companies and non-consolidated investments are listed in note 16 on page 123. They are owned directly or indirectly by Autoneum Holding Ltd.

9 BORROWINGS

CHF million	31.12.2022	31.12.2021
Cash pool liabilities due to subsidiaries	23.8	20.4
Bonds	75.0	-
Bank debts	24.9	131.4
Loans due to related parties	5.0	5.0
Total current portion	128.7	156.8
Bonds	100.0	175.0
Bank debts	140.0	-
Subordinated shareholder loans	-	-
Total non-current portion	240.0	175.0

Loans due to related parties comprise a loan of CHF 5.0 million that was granted by the pension fund of an Autoneum Group entity to the Company. The loan bears an interest rate of 1.0% (December 31, 2021: 0.35%) and is due within six days upon cancellation of the agreement by either the lender or the borrower.

In 2019, the two main shareholders of Autoneum Holding Ltd have granted a subordinated loan of CHF 20.0 million each and with an interest of 4.0%. As the agreed financial ratio has been reached in two consecutive financial quarters, the two subordinated shareholder loans of CHF 20.0 million each were repaid in 2021.

On July 4, 2016 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 75.0 million, which is listed on the SIX Swiss Exchange (AUH16, ISIN: CH0326213904). The bond carries a coupon rate of 1.125% and has a term of seven years with a final maturity on July 4, 2023.

On December 8, 2017 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 100.0 million, which is listed on the SIX Swiss Exchange (AUT17, ISIN: CH0373476032). The bond carries a coupon rate of 1.125% and has a term of eight years with a final maturity on December 8, 2025.

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 350.0 million, whereof CHF 164.9 million was drawn at year-end (December 31, 2021: CHF 131.4 million). The line of credit may partly be used as a guarantee facility. On June 29, 2020 the former long-term credit agreement was amended, among other things, with regards to the financial covenants. The final maturity date remained unchanged at December 31, 2022. On October 31, 2022 a new loan agreement in the amount of CHF 350.0 million with a syndicate of banks led by UBS and Credit Suisse was signed. The new loan agreement has a final maturity date at October 31, 2027 and replaces the syndicated loan, which was due to run until December 31, 2022. The interest rate is based on the SARON rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. An adjusted ratio of net debt to EBITDA represents the customary financial covenant of that agreement. Compliance with financial covenants is checked on a regular basis and reported to the banking syndicate. In the fiscal years 2022 and 2021, the financial covenants were met at all times.

10 OTHER LIABILITIES

CHF million	31.12.2022	31.12.2021
Other liabilities due to third parties	0.5	-
Other liabilities due to subsidiaries	0.4	0.1
Total	0.9	0.1

11 DEFERRED INCOME AND ACCRUED EXPENSES

CHF million	31.12.2022	31.12.2021
Deferred income and accrued expenses due from subsidiaries	5.9	5.3
Deferred income and accrued expenses due from third parties	2.8	2.0
Total	8.7	7.3

12 SHAREHOLDERS' EQUITY

SHARE CAPITAL

The share capital amounts to CHF 233 618.15. It is divided into 4 672 363 fully paid-up registered shares with a par value of CHF 0.05 each.

CONDITIONAL SHARE CAPITAL

For issuing convertible bonds, warranty bonds and for granting shareholder options, the share capital can be increased by a maximum of 700 000 fully paid-up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 35 000. Furthermore, for the issuance of shares to employees of subsidiaries, the share capital can be increased by a maximum of 250 000 fully paid-up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 12 500.

LEGAL CAPITAL RESERVES

These reserves include an amount of CHF 0.1 million (December 31, 2021: CHF 0.1 million) whose distribution as dividends is not subject to income taxes in Switzerland and can be effected free of Swiss withholding tax. The remaining part of the legal capital reserve does not benefit from the Swiss capital contribution principle.

TREASURY SHARES

The following transactions with treasury shares were performed during the financial year:

	2022 in shares	2022 in CHF million	2021 in shares	2021 in CHF million
Treasury shares at January 1	25 793	2.6	33 803	3.5
Purchase of treasury shares	23 500	2.9	5	-
Sale of treasury shares	-8 832	-0.9	-3 375	-0.3
Transfer of treasury shares	-6 183	-0.7	-4 640	-0.5
Treasury shares at December 31	34 278	4.0	25 793	2.6

13 GUARANTEES AND COLLATERAL PROVIDED

Autoneum Holding Ltd has guaranteed CHF 49.3 million (December 31, 2021: CHF 32.8 million) to financial institutions for granting credit facilities to direct and indirect subsidiaries and CHF 1.1 million (December 31, 2021: CHF 19.3 million) to other third parties for securing transactions they entered into with direct and indirect subsidiaries and other third parties. No financing commitment was given in favor of a subsidiary in either 2022 or 2021.

14 SHARES ALLOCATED TO THE BOARD OF DIRECTORS

Part of the remuneration of the Board of Directors is paid in shares of Autoneum Holding Ltd. In 2022, 7 055 shares (2021: 5 414 shares) with a total value of CHF 856 971 (2021: CHF 963 800) were allocated and 6 183 shares (2021: 4 640 shares) were transferred to the members of the Board of Directors. The remaining shares were withheld by the Company to account for the beneficiaries' part of social security contributions and withholding taxes.

15 SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS OR GROUP EXECUTIVE BOARD

The following shares were held by members of the Board of Directors or the Group Executive Board, including parties related to them (Art. 663c Swiss Code of Obligations):

Number of shares	31.12.2022	31.12.2021
Hans-Peter Schwald, Chairman	51 338	48 101
Rainer Schmückle, Vice Chairman	4 553	4 553
Liane Hirner	1 594	639
Norbert Indlekofer	2 102	1 725
Michael Pieper	1 057 029	1 050 092
This E. Schneider	n/a	17 192
Oliver Streuli	799	203
Ferdinand Stutz	5 794	5 561
Total Board of Directors	1 123 209	1 128 066
Matthias Holzammer, CEO	9 933	7 278
Bernhard Wiehl	1 358	214
Alexandra Bandler	1 717	784
Greg Sibley	418	-
Andreas Kolf	2 008	1 137
Fausto Bigi	1 188	315
Total Group Executive Board	16 622	9 728

16 SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS

			Nominal capital in millions	Directly owned	Indirectly owned	Voting and capital rights ¹	Research & technology	Application development	Production & supply	Service & financing
Switzerland	Autoneum International Ltd, Winterthur	CHF	7.0	•	100%					•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•	100%					•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•	100%			•	•	
Argentina	Autoneum Argentina S.A., Córdoba	ARS	22.5	•	100%					•
Belgium	Autoneum Belgium NV, Genk	EUR	8.0	•	100%					•
Brazil	Autoneum Brasil Têxteis Acústicos Ltda., São Paulo	BRL	201.6	•	100%			•	•	
Canada	Autoneum Canada Ltd., Tillsonburg	CAD	-	•	100%					•
China	Autoneum (Chongqing) Sound-Proof Parts Co., Ltd., Chongqing	CNY	49.3	•	100%					•
	Autoneum (Shenyang) Sound-Proof Parts Co., Ltd., Shenyang	CNY	49.2	•	100%					•
	Autoneum (Shanghai) Management Co., Ltd., Shanghai	CNY	13.2	•	100%			•	•	
	Autoneum (Yantai) Co., Ltd., Yantai	CNY	34.5	•	100%					•
	Autoneum (Pinghu) Co., Ltd., Pinghu	CNY	144.9	•	100%					•
	Autoneum (Tianjin) Co., Ltd., Tianjin	CNY	17.0	•	100%					•
	Autoneum Nittoku (Guangzhou) Automotive Sound-Proof Co. Ltd., Guangzhou	CNY	75.8	•	51%					•
	Tianjin Autoneum Nittoku Automotive Sound-Proof Co., Ltd., Tianjin	CNY	47.2	•	51%					•
	Wuhan Nittoku Autoneum Sound-Proof Co., Ltd., Wuhan	CNY	89.6	•	25%					•
Wuhan Nittoku Autoneum Auto Parts Co., Ltd., Wuhan	CNY	81.0	•	25%					•	
Czech Republic	Autoneum CZ s.r.o., Choceň	CZK	206.2	•	100%					•
France	Autoneum Holding France SAS, Lyon	EUR	39.8	•	100%					•
	Autoneum France SAS, Aubergenville	EUR	8.0	•	100%			•	•	
Germany	Autoneum Germany GmbH, Rossdorf	EUR	11.2	•	100%					•
Great Britain	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	57.0	•	100%					•
Hungary	Autoneum Hungary Ltd., Komárom	EUR	-	•	100%					•
India	Autoneum India Pvt. Ltd., New Delhi	INR	571.4	•	100%					•
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•	51%					•
Indonesia	PT Tuffindo Nittoku Autoneum, Karawang	IDR	162 666.0	•	9%					•
Italy	Porfima Uno S.r.l., Torino	EUR	-	•	100%					•
Japan	Nihon Tokushu Toryo Co. Ltd., Tokyo	JPY	4 753.0	•	13%		•	•	•	•
	ATN Auto Acoustics Inc., Kamioguchi	JPY	100.0	•	25%			•		
Korea	Autoneum Korea Ltd., Seoul	KRW	264.0	•	100%					•
Mexico	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	45.0	•	100%					•
	Autoneum Mexico Operations, S.A. de C.V., San Luis Potosí	MXN	803.9	•	100%					•
	Autoneum Mexico Servicios, S.A. de C.V., San Luis Potosí	MXN	3.1	•	100%					•
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•	50%					•
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•	50%					•
Poland	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•	100%			•	•	
Portugal	Autoneum Portugal Lda., Setúbal	EUR	0.6	•	87%					•
Russia	Autoneum Rus LLC, Ryazan	RUB	0.8	•	100%					•
South Africa	Autoneum Feltex (Pty) Ltd., Rosslyn	ZAR	-	•	51%					•
Spain	Autoneum Spain S.A.U., Sant Cugat del Vallés	EUR	5.8	•	100%					•
Thailand	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•	30%					•
	Summit & Autoneum (Thailand) Co., Ltd., Chonburi	THB	16.0	•	51% ²					•
Türkiye	Autoneum Erkurt Otomotive AS, Bursa	TRY	2.5	•	51%					•
USA	Autoneum America Corporation, Novi	USD	-	•	100%					•
	Autoneum North America Inc., Novi	USD	-	•	100%			•	•	
	UGN Inc., Downers Grove	USD	-	•	50%			•	•	

¹ Unless otherwise noted, voting and capital rights have not changed compared to the previous year.² Autoneum has 49% of the capital rights.

17 SIGNIFICANT SHAREHOLDERS

At December 31, 2022 Autoneum knew that the following shareholders had more than 3% of the Company voting rights (in accordance with Art. 663c of the Swiss Code of Obligations):

	31.12.2022	31.12.2021
Artemis Beteiligungen I Ltd, Hergiswil, Switzerland; and Michael Pieper, Hergiswil, Switzerland ¹	22.62%	22.47%
PCS Holding Ltd, Frauenfeld, Switzerland; and Peter Spuhler, Warth-Weiningen, Switzerland	16.17%	16.17%
Martin Haefner, Erlenbach, Switzerland	3.09%	n/a

¹ Voting rights according to the Company's records at December 31.

Details of the disclosures can be found at:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

18 EVENTS AFTER BALANCE SHEET DATE

Autoneum signed an agreement to acquire the automotive business of Borgers on January 6, 2023. The transaction is expected to close in April 2023 following antitrust clearance. The enterprise value paid amounts to EUR 117.0 million. The transaction will initially be financed through a new credit facility which is available in addition to the syndicated loan of CHF 350.0 million renewed in October 31, 2022. A capital increase in the amount of approximately CHF 100.0 million is planned for the long-term refinancing of the acquisition.

Dividend proposal for the appropriation of available earnings

CHF	2022
Balance brought forward	198 136 498
Net profit	35 823 755
At the disposal of the Annual General Meeting	233 960 252
Proposal	
Distribution of a dividend ¹	-
Carried forward to new account	233 960 252
Total	233 960 252

¹ Shares held by Autoneum Holding Ltd at the time of dividend distribution are not entitled to dividends. The amount distributed will be reduced accordingly at the time of distribution.

The Board of Directors proposes no dividend to be distributed.



Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Autoneum Holding Ltd (the Company), which comprise the balance sheet as at 31 December 2022, 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 117 to 124) for the year ended December 31, 2022 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, together with 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.

Report on Key Audit Matters



Investments and loans due from subsidiaries

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



Investments and loans due from subsidiaries

Key Audit Matter

The financial statements of Autoneum Holding Ltd as at December 31, 2022, include investments in the amount of CHF 522.9 million, current loans due from subsidiaries in the amount of CHF 106.6 million and non-current loans due from subsidiaries in the amount of CHF 314.0 million.

The company annually reviews investments and loans due from subsidiaries for impairment on an individual basis.

The impairment assessment of investments and loans due from subsidiaries requires significant management judgment, in particular in relation to the forecast earnings and growth rates as well as discount rates, and is therefore a key area that our audit was concentrated on.

For further information on investments and loans due from subsidiaries refer to the following:

- Note 3, Valuation adjustments on investments and loans
- Note 6, Loans and financial receivables
- Note 8, Investments

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 of the Company, the remuneration report and our auditor's reports thereon.

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

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

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

Responsibility of the Board of Directors for the Financial Statements

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

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

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests as well as the appropriateness of management's assumptions.

This comprised:

- Agreeing forecasts used in the impairment tests to current expectations of management.
- Challenging the robustness of key assumptions on a sample basis, based on our understanding of the commercial prospects of the respective entities.

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.

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 of the financial statements, 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.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 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 financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Kathrin Schünke
Licensed Audit Expert

Zurich, February 28, 2023

Remuneration Report

1 INTRODUCTION

CONTENT AND BASIS OF THE REMUNERATION REPORT

This remuneration report explains the authority and definition of the remuneration of the members of the Board of Directors and the Group Executive Board as well as Autoneum's remuneration system and how it was applied in the reporting period. Disclosures are made in accordance with the applicable provisions of Swiss law, the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange and the Swiss Code of Best Practice for Corporate Governance from *economiesuisse*. The remuneration tables listed under item 4 have been audited by the statutory auditors. In addition, this remuneration report will be submitted to the shareholders at the Annual General Meeting on March 23, 2023 for a consultative vote so that they can express their opinion on the remuneration policy and remuneration system.

RULES ON REMUNERATION IN THE ARTICLES OF ASSOCIATION

The Articles of Association of Autoneum Holding Ltd contain provisions on the remuneration principles applicable to the members of the Board of Directors and the Group Executive Board:

- Resolutions and powers of the Annual General Meeting (§12/13);
- Approval of the remuneration of the members of the Board of Directors and the Group Executive Board as well as an additional amount for payments to new members of the Group Executive Board appointed by the Board of Directors after the approval of the remuneration (§14);
- Contracts of office and employment of the members of the Board of Directors and the Group Executive Board (§19);
- Number of permissible mandates (§20);
- Election and duties of the Compensation Committee (§23);
- Principles applicable to the fixed and variable performance-related remuneration and to the allocation of shares to the members of the Board of Directors and the Group Executive Board (§24);
- Loans, credit facilities and retirement benefits for members of the Group Executive Board (§25).

The full text of the Articles of Association is available online at <https://www.autoneum.com/investor-relations/corporate-governance/#articles-of-association>.

The maximum aggregate total compensation of the members of the Board of Directors and the Group Executive Board as proposed by the Board of Directors is submitted to the shareholders for approval at the Annual General Meeting each year separately and prospectively for the coming financial year (§14 of the Articles of Association).

2 AUTHORITY AND DEFINITION PROCESS

The basic features of the remuneration policy, the remuneration system and the share-based payment plans are elaborated by the Compensation Committee, reviewed annually and approved by the Board of Directors. No third-party consultants have been engaged for the elaboration of the salary policy or the compensation programs.

The Board of Directors fixes annually the remuneration of the members of the Board of Directors and the Group Executive Board, approves the fixed portion of the remuneration and defines the targets, parameters and other details for the executive bonus and the long-term incentive plans, based on the suggestions of the Compensation Committee and within the limits approved by the shareholders. The members of the Board of Directors, whose remuneration is decided on, also participate in the meeting. The amount of remuneration for the members of the Board of Directors and the Group Executive Board is determined at the discretion of the Board of Directors. In doing so, the Board of Directors takes into consideration function and responsibility, in the case of the Group Executive Board also experience, and incorporates information which is publicly available or known from their own experience.

3 REMUNERATION SYSTEM

REMUNERATION OF THE BOARD OF DIRECTORS

The members of the Board of Directors receive a fixed annual fee for their entire board activities as well as an annual lump sum payment for representation expenses. They receive no variable remuneration. The members of the Board of Directors may opt to obtain all or part of their remuneration in cash or in Autoneum shares. The cash component is paid out in December of the related financial year. The shares are allocated in the respective financial year and blocked for three years. The share price applicable for the conversion of the remuneration into shares is based on the average closing price of the ten trading days following the dividend payment or the Annual General Meeting, if no dividend is paid, discounted to reflect a three-year blocking period.

REMUNERATION OF THE GROUP EXECUTIVE BOARD

The remuneration structure for the Group's senior management consists of several components and, within a market-based remuneration framework, takes into account the individual performance and the Group's performance in the financial year as well as the creation of long-term, sustainable added value. The remuneration of the Group's senior management including the members of the Group Executive Board consists of a basic salary (fixed remuneration), a variable, performance-related bonus according to the executive bonus plan and the participation in the long-term incentive plan (LTI). To ensure a consistent focus on the long-term interests of the shareholders, a part of the variable remuneration is paid in the form of blocked shares. Due to the three-year blocking period of the allocated shares, this remuneration is linked to the long-term development of the company value of Autoneum.

BASIC SALARY

The basic salary of the members of the Group Executive Board consists of a fixed annual remuneration. The Board of Directors may define a portion of the basic salary to be paid in Autoneum shares. The number of shares is calculated based on the average closing price during the first ten trading days of the respective year. The shares are allocated in December of the respective year and are blocked for three years.

BONUS

The members of the Group Executive Board may reach a variable, performance-related remuneration of up to 80% of their basic salary in the form of a bonus, subject to the achievement or exceeding of defined minimum profitability and liquidity targets of the Group or of the Business Groups as well as to the achievement of annually agreed individual targets.

With effect as of the 2022 financial year, to strengthen the Group's focus on the importance of sustainability as well as on social and environmental matters even more for the success of the Group, the Board of Directors has amended the executive bonus plan by adding the following Environmental Social Governance (ESG) target criteria:

- Scope 1* emissions (direct greenhouse gas emissions from consumption of fossil fuels);
- Scope 2* emissions (indirect greenhouse gas emissions from purchased electricity, excluding renewable electricity);
- Non-hazardous waste (reduce non-hazardous waste);
- Accident Frequency Rate (AFR) (no accidents).

These criteria are weighted 10% in total, while at the same time the weighting of the individual targets is reduced to 15% (previously 25%). The weightings of the financial targets remain unchanged.

Thus, the targets set for the CEO and CFO are composed of the Group net result margin (weighting 52.5%), Group RONA (22.5%), individual targets (15%) and ESG targets at Group level (10%). For the Heads of the Business Groups, the targets are composed of the Group net result margin (17.5%), Group RONA (7.5%), EBIT margin of the Business Group (35%), free cash flow of the Business Group (15%), individual targets (15%) and ESG targets at Business Group level (10%).

* According to the definition of the Greenhouse Gas Protocol

Minimum and maximum limits are defined for the weighted targets. In general, the achievement of the minimum limit is a condition for the performance-related bonus, while the maximum bonus is achieved at the maximum limit. However, for ESG criteria the principle of “the lower, the better” applies. For all targets, the performance-related bonus increases linearly between the two defined limits, with the exception of the Accident Frequency Rate (AFR), where 100% is achieved if the result is equal or smaller than the defined lower limit, 50% is achieved if the result is between the lower and/or equal to the higher limit, and 0% is reached, if the result exceeds the higher limit.

Irrespective of the other targets, a bonus is only paid if the Group net result is positive. At least 40% of the bonus is paid in Autoneum shares. Each member of the Group Executive Board can opt to receive up to 100% of the bonus in shares and to receive either restricted shares with a blocking period of three years or an entitlement to shares with a deferred transfer after a period of three years. The calculated bonus is multiplied by 1.4 and then converted into shares using the average closing price of the first ten trading days in January of the following year.

LONG-TERM INCENTIVE PLAN (LTI)

The LTI allows the Board of Directors to allocate a part of the Group’s net result to predefined beneficiaries. Beneficiaries are the members of the Group’s senior management including the Group Executive Board. An allocation is only made if the Group’s net result is positive and exceeds a defined threshold. The total amount of the Group’s net result dedicated to the LTI is converted into Autoneum shares and the shares are allocated to the beneficiaries at fixed percentage rates corresponding to the internal function levels. The shares become property of the beneficiaries after a vesting period of 35 months, if the beneficiaries are then still employed by an Autoneum company. Due to the 35-month vesting period, the value of the LTI is in strong correlation to the performance of the Autoneum share price. Immediate vesting occurs in case of death or retirement of a beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the Compensation Committee.

SHARE OPTIONS AND SHARE PURCHASE PLANS

There are no share options or share purchase plans.

PERMISSIBLE ACTIVITIES OUTSIDE THE AUTONEUM GROUP

The Board of Directors decides on directorships of members of the Group Executive Board or the Group’s senior management at other companies. If the directorships are exercised outside the contractual working time, the director’s remunerations received must not be surrendered to Autoneum.

4 DISCLOSURE OF REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GROUP EXECUTIVE BOARD

REMUNERATION OF THE BOARD OF DIRECTORS

The total remuneration paid to the current members of the Board of Directors in the 2022 financial year amounts to CHF 1 429 070. There has been no remuneration to former members of the Board of Directors.

At the 2021 Annual General Meeting a maximum total remuneration to the Board of Directors of CHF 1.75 million was awarded for the 2022 financial year, thus the remuneration for 2022 is within the approved limit.

No loans, credit facilities or additional fees or remuneration have been paid to members of the Board of Directors or parties related to them. In the 2022 financial year, fees in the amount of CHF 39 816.10 (2021: CHF 38 859.00) were paid for legal services to the law firm for which the Chairman of the Board of Directors acts as senior partner.

The total of all remuneration paid to the members of the Board of Directors is composed as follows:

Board of Directors	2022				2021			
	Fixed remuneration		Other ¹	Total	Fixed remuneration		Other ¹	Total
	in cash	in shares ²			in cash	in shares ³		
CHF								
Hans-Peter Schwald Chairman	-	369 147	20 690	389 837	-	369 035	23 676	392 711
Rainer Schmückle Vice Chairman	200 000	-	-	200 000	120 000	95 241	-	215 241
Liane Hirner ⁴	-	154 753	-	154 753	-	116 069	-	116 069
Norbert Indlekofer	112 673	66 809	12 428	191 910	62 739	80 109	9 642	152 489
Michael W. Pieper	-	119 041	5 416	124 456	-	119 095	5 483	124 578
This E. Schneider ⁵	-	40 085	1 803	41 888	75 000	89 188	8 881	173 069
Peter Spuhler ⁶	-	-	-	-	25 000	-	1 893	26 893
Oliver Streuli ⁷	65 000	77 376	9 742	152 118	65 000	38 630	7 617	111 247
Ferdinand Stutz	135 000	29 760	9 347	174 107	120 000	56 432	12 450	188 882
Total	512 673	856 971	59 426	1 429 070	467 739	963 800	69 641	1 501 180

¹ Other remuneration includes the employer's portion of social security contributions.

² The fixed remuneration in shares is calculated by the number of shares granted multiplied by the average closing price for the ten days following the 2022 dividend payment (CHF 121.47). The transfer took place after deduction of social security contributions and withholding taxes.

³ The fixed remuneration in shares is calculated by the number of shares granted multiplied by the average closing price for the ten days following the 2021 Annual General Meeting (CHF 178.02). The transfer took place after deduction of social security contributions and withholding taxes.

⁴ Member of the Board of Directors from 25.03.2021.

⁵ Member of the Board of Directors until 23.03.2022.

⁶ Member of the Board of Directors until 25.03.2021.

⁷ Member of the Board of Directors from 25.03.2021.

The change in the Board of Directors' remuneration compared to the previous year is mainly caused by the fact that the Board of Directors was reduced by one member at the Annual General Meeting 2022 as well as because of the different proportion received in shares.

REMUNERATION OF THE GROUP EXECUTIVE BOARD

In the 2022 financial year, the total remuneration paid to the members of the Group Executive Board amounts to CHF 5 174 744, thereof CHF 1 353 518 to the CEO, who receives a part of his basic salary in shares. There has been no remuneration to former members of the Group Executive Board.

At the 2021 Annual General Meeting a maximum total remuneration to the Group Executive Board of CHF 8.5 million was awarded for the 2022 financial year, thus the remuneration for 2022 is within the approved limit.

No loans, credit facilities or additional fees or remuneration have been paid to members of the Group Executive Board or parties related to them.

The total remuneration paid to the members of the Group Executive Board is composed as follows:

Group Executive Board	Fixed remuneration		Variable remuneration		LTI ¹	Other ²	Total
	in cash	in shares ³	in cash	in shares ⁴			
2022							
CHF	in cash	in shares ³	in cash	in shares ⁴			
All members	2 603 403	72 175	330 685	1 028 966	-	1 139 515	5 174 744
Thereof							
Matthias Holzammer	688 920	72 175	-	426 745	-	165 678	1 353 518
2021							
CHF	in cash	in shares ⁵	in cash	in shares ⁶			
All members	2 469 838	72 150	832 450	1 074 156	165 892	1 030 540	5 645 026
Thereof							
Matthias Holzammer	674 000	72 150	198 424	416 664	52 658	132 218	1 546 113

¹ For the 2022 financial year, not all criteria for allocation of the LTI 2022 were met. For the 2021 financial year, 2.5% of Group net profit has been allocated. The rights allocated in April 2022 will vest end of February 2025.

² Other remuneration includes the employer's portion of social security contributions, the employer's portion of contributions to pension funds and other fringe benefits.

³ The applicable share price during the defined period was CHF 184.12.

⁴ The part of the bonus opted to be paid out in shares (at least 40%) is multiplied by the factor 1.4 and then converted into shares using the average trading price for the first ten days in January 2023 (CHF 114.84).

⁵ The applicable share price during the defined period was CHF 164.35.

⁶ The part of the bonus opted to be paid out in shares (at least 40%) is multiplied by the factor 1.4 and then converted into shares using the average trading price for the first ten days in January 2022 (CHF 184.12).

The change in the remuneration of the Group Executive Board members compared to the previous year is mainly based on the fact that the financial targets for the bonus within the Group were only partially achieved in the 2022 financial year due to lower production volumes, the significant inflation and cost increases. Additionally, the LTI 2022 does not draw because not all conditions for allocation were met.



Report of the Statutory Auditor

To the General Meeting of Autoneum Holding Ltd, Winterthur

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Autoneum Holding Ltd (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables "Remuneration of the Board of Directors" and "Remuneration of the Group Executive Board" on pages 134 to 135 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables "Remuneration of the Board of Directors" and "Remuneration of the Group Executive Board" in the Remuneration Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Remuneration Report

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

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

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

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

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

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

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Kathrin Schünke
Licensed Audit Expert

Zurich, February 28, 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Review 2018–2022

CONSOLIDATED INCOME STATEMENT

CHF million	2022	2021	2020	2019	2018
Revenue	1 804.5	1 700.4	1 740.6	2 297.4	2 281.5
BG Europe	616.6	636.9	641.8	900.9	984.5
BG North America	795.1	687.0	753.5	1 001.8	921.8
BG Asia	273.2	281.0	254.1	275.7	260.3
BG SAMEA ¹	120.5	94.7	88.4	125.8	111.5
EBITDA	152.1	179.8	148.5	164.0	197.2
in % of revenue	8.4%	10.6%	8.5%	7.1%	8.6%
EBIT	35.4	57.5	27.8	-32.9	114.1
in % of revenue	2.0%	3.4%	1.6%	-1.4%	5.0%
Net result	10.9	30.1	-10.7	-77.7	74.7
in % of revenue	0.6%	1.8%	-0.6%	-3.4%	3.3%
Return on net assets in % (RONA)	2.8%	4.5%	1.3%	-3.9%	7.8%
Return on equity in % (ROE)	2.5%	7.0%	-2.3%	-13.8%	11.6%

CONSOLIDATED BALANCE SHEET AT DECEMBER 31

Non-current assets	866.4	942.1	1 002.0	1 174.7	897.5
Current assets	605.5	559.9	806.1	664.4	703.8
Equity attributable to shareholders of AUTN	339.1	357.4	309.7	389.1	519.3
Equity attributable to non-controlling interests	92.9	93.8	103.9	109.9	108.4
Total shareholders' equity	432.0	451.2	413.6	498.9	627.7
Non-current liabilities	542.0	493.9	874.1	748.0	423.1
Current liabilities	497.9	556.9	520.3	592.2	550.6
Total assets	1 471.9	1 502.0	1 808.1	1 839.1	1 601.3
Net debt ²	252.2	251.4	271.7	335.0	262.7
Shareholders' equity in % of total assets	29.4%	30.0%	22.9%	27.1%	39.2%

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities	94.5	100.4	149.7	119.2	124.0
Cash flows used in investing activities	-37.2	-29.3	-37.2	-129.1	-164.7
Cash flows (used in)/from financing activities	-30.4	-288.7	122.3	17.5	34.3
Employees at December 31 ³	11 622	11 840	12 774	13 128	12 946

¹ Including South America, Middle East and Africa.

² Net debt excl. lease liabilities at December 31.

³ Full-time equivalents including temporary employees.

INFORMATION FOR INVESTORS

CHF million	2022	2021	2020	2019	2018
Number of issued shares	4 672 363	4 672 363	4 672 363	4 672 363	4 672 363
Share capital of Autoneum Holding Ltd	0.2	0.2	0.2	0.2	0.2
Net result of Autoneum Holding Ltd	35.8	54.9	24.3	29.7	21.4
Market capitalization at December 31	473.1	788.5	749.6	539.9	685.8
in % of revenue	26.2%	46.4%	43.1%	23.5%	30.1%
in % of equity attr. to shareholders of AUTN	139.5%	220.6%	242.0%	138.8%	132.1%

DATA PER SHARE (AUTN)

CHF	2022	2021	2020	2019	2018	
Basic earnings per share	-0.49	4.91	-5.45	-20.82	11.83	
Dividend per share ¹	-	1.50	-	-	3.60	
Shareholders' equity per share ²	73.12	76.92	66.77	83.73	111.62	
Share price at December 31	102.00	169.70	161.60	116.20	147.40	
Share price development during the year	High	202.20	201.00	167.50	174.30	317.00
	Low	78.00	133.30	50.00	91.65	130.00

¹ As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

² Equity attributable to shareholders of Autoneum Holding Ltd per share outstanding at December 31.

Important Dates

Annual General Meeting 2023

March 23, 2023

Semi-Annual Report 2023

August 23, 2023

Annual General Meeting 2024

April 9, 2024

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Legal Note

Cautionary statement on forward-looking information: All statements in this Annual Report which do not refer to historical facts are forecasts for the future that include no representations or warranties, express or implied, as to the accuracy or completeness of the information provided in this Annual Report and any liability whatsoever is disclaimed. Forward-looking information is based on current expectations, estimates and projections about factors that may affect the Group's future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects," "estimates," "targets," "aim", "outlook" or similar expressions.

There are numerous risks, uncertainties and other factors, many of which are beyond Autoneum's control, that could cause Autoneum's actual results to differ materially from the forward-looking information and statements made in this Annual Report and that could affect Autoneum's ability to achieve its stated targets. The important factors that could cause such differences include, among others: antitrust clearance with regard to the acquisition of the automotive business of the Borgers Group, global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside Autoneum's control. Although Autoneum believes that its expectations reflected in any such forward-looking statements are based on reasonable assumptions, it can give no assurance that those expectations will be achieved.

For the purposes of this Annual Report, unless the context otherwise requires, the term "the Company" means Autoneum Holding AG, and the terms "Autoneum," "the Group," "we" and "our" mean Autoneum Holding AG and its consolidated subsidiaries.

March 2023

This is a translation of the original and prevailing German text.

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