

DATACOLOR AG

FINANCIAL REPORT 2023

datacolor 

Get Color Right

This English version of the Datacolor AG annual report is a translation from German and is provided solely for reader's convenience. Only the German version in binding.

DATACOLOR AG

FINANCIAL REPORT 2023

Financial year from October 1, 2022 through September 30, 2023

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Datacolor

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Datacolor AG

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DATACOLOR SHARE INFORMATION

Stock exchange information

Expected dividend ex date (subject to approval by AGM)	December 11, 2023
Listing	SIX Swiss Exchange (Zurich)
Security ID	853 104
ISIN	CH0008531045
Reuters	DCN.S
Bloomberg	DCN
Investdata	DCN

Capital structure

	30.09.2023	30.09.2022
Share capital in CHF	168 044	168 044
Conditional share capital in CHF	16 804	16 804
Number of registered shares	168 044	168 044
Nominal value per share in CHF	1	1
Registration restrictions	none	none
Voting restrictions	none	none
Opting out / opting up	none	none

Significant shareholders (in %)

	30.09.2023	30.09.2022
Werner Dubach	94.09%	64.04%
Community of heirs - Anne Keller Dubach	0.00%	19.70%

Shareholders by category (in %)

	30.09.2023	30.09.2022
Significant shareholders	94.09%	83.74%
Private investors	95.33%	93.35%
Corporate investors	4.67%	6.65%
Non-registered shareholders	0.46%	1.38%

Share distribution

	30.09.2023	30.09.2022
Number of registered shares	Number of shareholders	Number of shareholders
1 – 100	127	456
101 – 1 000	5	18
1 001 – 10 000	1*	5*
>10 000	1	2
Total	134	481

*including treasury shares of Datacolor AG

Share price data in CHF

	2022/23	2021/22
First trading day	660.00 (03.10.2022)	635.00 (01.10.2021)
Low	610.00 (19.04.2023)	630.00 (26.10.2021)
High	770.00 (22.08.2023)	750.00 (26.11.2021)
Last trading day	755.00 (29.09.2023)	660.00 (30.09.2022)
Average share price	682.19	696.91
Market capitalization in CHF million as of September 30	121.40	106.50

KEY FIGURES GROUP

in USD million	2022/23	2021/22
Net sales	93.2	87.4
Change relative to previous year in %	6.7%	18.8%
EBITDA	10.7	12.9
Change relative to previous year in %	-17.2%	59.0%
as a % of net sales	11.5%	14.8%
EBIT	8.1	11.2
Change relative to previous year in %	-27.5%	73.7%
as a % of net sales	8.7%	12.8%
Net result	10.9	5.2
Change relative to previous year in %	110.5%	-44.2%
as a % of net sales	11.7%	5.9%
as a % of average shareholders' equity	20.8%	10.3%
Cash flow from operating activities	9.2	9.0
Change relative to previous year in %	2.5%	0.7%
as a % of net sales	9.9%	10.3%
Cash flow from investing activities	-5.1	-4.0
Change relative to previous year in %	28.0%	251.5%
as a % of cash flow from operating activities	-55.0%	-44.0%
Free Cash Flow	4.2	5.0
Change relative to previous year in %	-17.6%	-35.5%
as a % of net sales	4.5%	5.8%
Average number of employees	426	387
Personnel expenses	41.5	36.3
Total assets	95.6	81.3
Shareholders' equity	56.9	47.8
as a % of assets	59.5%	58.8%
Net liquidity (including current financial assets)	42.7	43.7
Per share data ¹⁾		
Average number of shares	160 884	162 411
Earnings per share in USD (non-diluted)	67.60	31.81
Free Cash Flow per share in USD	25.82	31.04
Shareholders' equity per share in USD	353.71	294.34
Dividend per share in CHF ²⁾	-	20.00
Share price data as of 30.09. in CHF	755.00	660.00
Yield in % ³⁾	0.0%	3.8%

¹⁾ Calculation is based on the weighted average number of shares outstanding (issued shares less treasury shares).

²⁾ According to the proposal of the Board of Directors on November 7, 2023 no dividend payment proposed.

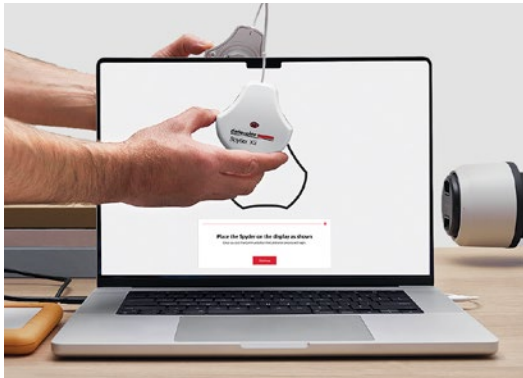
³⁾ Distribution in percentage of the share price as of September 30, 2023.



SpectraVision V



Spectro 1000



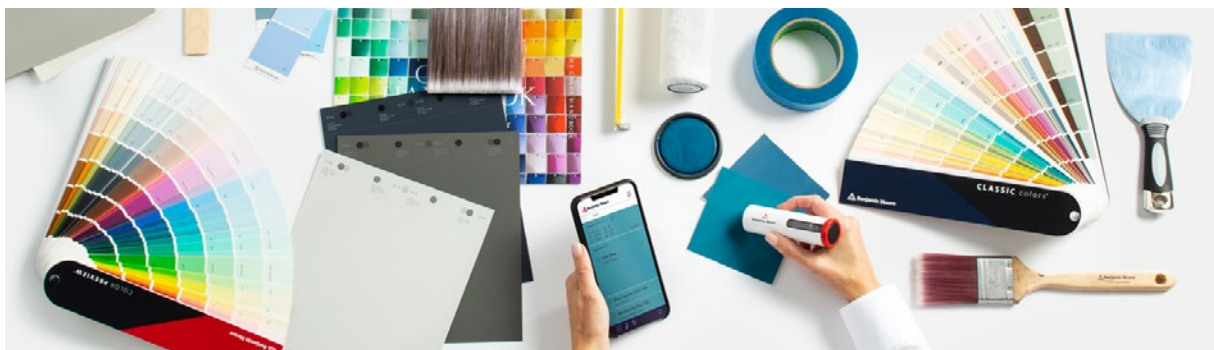
Spyder X2



SpyderCheck



Colibri Analytics



ColorReader

Report of the Board of Directors

In the 2022/23 financial year, Datacolor continued its successful strategy implementation of previous years. Sales reached a new high. Once again, innovative industrial and consumer products were launched with the aim of achieving efficient color management. Datacolor continued to expand its position in the global color management market with the successful integration of matchmycolor GmbH, which specializes in color management software.

During the reporting period, Datacolor made substantial investments in the development of new products, especially in a cloud-based software as a service offering (SaaS) for Datacolor industrial products. For the consumer market, Datacolor introduced new devices for the efficient color calibration of monitors and a new pocket-sized color reference tool. In addition, the global sales and marketing organization was expanded, mainly in the Asia region, which is Datacolor's biggest and fastest-growing market.

During the 2022/23 financial year, a public tender offer was made in summer 2023 by the majority shareholder for all publicly held Datacolor shares, setting the course for the company's future development. The voluntary tender offer was unanimously supported by the independent members of the Board of Directors and was completed in October 2023. The planned delisting of the Datacolor shares is a major milestone. The Board of Directors is convinced that the withdrawal from the stock exchange is appropriate for Datacolor's size and that it supports the company's strategic agility.

The Board of Directors intends to continue expanding Datacolor's leading market position in the international color management market in the years to come and to supplement organic growth with acquisitions.

The Board of Directors wishes to thank all shareholders for their loyalty, some of whom have supported the company for many years.



Werner Dubach
Chairman of the Board of Directors

DATACOLOR IN FISCAL 2022/23

Continued growth leading to record sales

Datcolor realized record sales in fiscal 2022/23 with its broad offering of products and solutions for efficient, precise and digital color management. While sales to industrial customers increased significantly, sales in the consumer market were down from previous year due to a decrease in customer demand caused by the economic slowdown.

In May of 2023 Datcolor acquired the Swiss color software company matchmycolor LLC. The technology company's financials were consolidated for five months starting May 1, 2023. The impact of the acquisition and integration costs are spread over two fiscal years 2022/23 and 2023/24. With the acquisition of matchmycolor, Datcolor strengthened its market position for color management software in its core markets of textile and apparel, paint, coatings, plastics and automotive and expanded its global presence in the color management market of ink and printing, among others. The acquisition of this innovative Swiss software company is in line with Datcolor's strategy of continuously expanding its customer base with state-of-the-art color management solutions and supporting organic growth through acquisitions that complement its business model.

Datcolor achieved a further increase in sales after two years of double-digit growth and confirmed its strong position in the international color management market in fiscal 2022/23, despite the challenging business climate. With further substantial investments in research and development, Datcolor again launched several new cutting-edge products in all business units. The global sales and marketing organization was further expanded, particularly in Asia, Datcolor's largest and fastest-growing market. The company also continued to grow its service revenues of color certification and color calibration with its Datcolor Certify and Datcolor Guardian products. Recruitment of new employees, which was challenging during the start of the fiscal year, improved considerably, allowing the Company to fill most of its open positions. In the year under review, Datcolor employed an average of 426 (387) people.

In fiscal 2022/23, net sales were USD 93.2 million (fiscal 2021/22: USD 87.4 million), exceeding the previous year by 6.7% or 9.5% in local currency. Continued sales growth, a more favorable product mix, due to the high-margin software products acquired from matchmycolor, and close management of expenses led to a high gross profit to USD 62.4 million, corresponding to a gross profit margin of 66.9% (66.3%). Operating profit includes the first tranche of acquisition costs of matchmycolor as well as announced extraordinary costs related to the public tender offer from the majority shareholder for all publicly held Datcolor shares announced on July 3, 2023. Therefore, resulting EBITDA for the fiscal year amounts to USD 10.7 million (USD 12.9 million) and EBITDA margin to 11.5% (14.8%). EBIT amounts to USD 8.1 million

(USD 11.2 million) and EBIT margin to 8.7% (12.8%). Net income improved significantly to USD 10.9 million (USD 5.2 million), mainly due to the good financial result of USD 3.3 million (USD -5.5 million) and a positive one-off tax effect in the US. Earnings per share corresponded to USD 67.6 (USD 31.81).

Continuing sales growth in all market regions

In the reporting period, Datcolor continued to report increased sales in all market regions with the largest increase in Europe despite the depreciation of the Euro against the US Dollar and partially driven by the acquisition of matchmycolor, whose revenues were mainly Europe-based. Consequently, the European region's contribution to sales increased in the year under review to 31% (29%). Asia remained Datcolor's strongest region with a share of 43% (44%) of Group sales. The American markets contributed 26% (27%).

Direct customer service expanded

In April 2023, Datcolor announced the transition from an agent to a direct sales and support setup in the Scandinavian market including Sweden, Norway, Finland, Denmark and Iceland, in line with the Company's strategy to assure state-of-the-art service and support to customers from one source.

New software and products launched

Datcolor continued to invest substantially in the development of new products, in particular a cloud-based Software-as-a-Service (SaaS) offering for Datcolor industrial products that supports customers in efficient data exchange, Big Data analytics and increased process flexibility. Thanks to the recent acquisition of matchmycolor Datcolor further strengthened its capabilities in software development and introduction of SaaS solutions.

For the consumer market Datcolor introduced its next generation monitor color calibrators Spyder X2 Elite and the Spyder X2 Ultra. Datcolor Spyder X2 Elite enables effective color calibration in less than two minutes with an even clearer user interface and advanced calibration features. With expanded sensor capabilities, Spyder X2 Ultra allows for calibration of HDR/high-brightness monitors making it ideal for photo, video and hybrid use, as well as for viewing HDR/high-brightness content on computer-connected TVs and projectors. Furthermore, Datcolor launched Spyder Checkr Video, a pocket-sized color reference tool that works with a variety of professional video equipment and editing software solutions to ensure accurate video color and exposure. Spyder Checkr Video offers the ability to quickly and precisely color calibrate one or more camera and lens combinations, ensuring color accuracy at the start of shooting, streamlining the post-production workflow for a seamless video editing experience.

Sound balance sheet

At the end of fiscal 2022/23, Datacolor AG had total assets of USD 95.6 million (9/30/2022: USD 81.3 million), significantly higher than the previous year. The increase in total assets is mainly driven by the intangible assets from the acquisition of matchmycolor. Net cash including financial assets amounted to USD 42.7 million (9/30/2022: USD 43.7 million). Accounts receivable amounted to USD 9.3 million (9/30/2022: USD 11.0 million). After prior year's considerable increase in inventories, inventory levels decreased slightly in the reporting period and corresponded to USD 12.4 million at the end of fiscal 2022/23 (9/30/2022: USD 13.0 million). Datacolor remains debt-free and has a solid equity ratio of 59.5% (9/30/2022: 58.8%).

Datacolor AG

The holding company Datacolor AG posted a profit of CHF 4.6 million in fiscal 2022/23 (fiscal 2021/22: CHF 4.3 million). After payment of the dividend of CHF 3.2 million for fiscal 2021/22, Datacolor AG had shareholders' equity of CHF 13.8 million on the reporting date September 30, 2022 (9/30/2022: CHF 12.9 million). For fiscal 2022/23, the Board of Directors proposes no dividend distribution to the Annual General Meeting of Datacolor AG on December 7, 2023.

Public tender offer for the shares of Datacolor AG

On July 3, 2023, the Chairman of the Board of Directors of Datacolor, Werner Dubach, announced a voluntary public tender offer to purchase all publicly-held shares of Datacolor AG. With the tender offer, which was unanimously supported by the independent members of Datacolor's Board of Directors, Werner Dubach enabled Datacolor's shareholders to sell their Datacolor shares, which were only thinly traded, at a fair price without taking the risk of causing above-average price volatility. The public tender offer was widely accepted and Werner Dubach announced the successful closing on October 16, 2023.

Outlook

In the course of the tender offer Werner Dubach and Datacolor AG communicated the intention to delist the shares of Datacolor AG after the successful closing of the transaction. Following a delisting of the Datacolor shares, Datacolor, one of the leading international companies in the color management sector, will continue to strengthen and expand its market position. Furthermore, Datacolor's organic growth is to be supported by future acquisitions.

This report contains forward-looking statements that reflect management's views with respect to future events. Such statements are subject to risks and uncertainties. Datacolor disclaims any liability that actual results correspond to the forward-looking statements and does not assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of this report.

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GROUP STRUCTURE

Introduction

This corporate governance report describes the principles of leadership and control at the top organizational levels of Datacolor AG, in accordance with the Directive on Information Relating to Corporate Governance (DCG) issued by SIX Swiss Exchange AG as well as the guidelines and recommendations of the Swiss Code of Best Practice for Corporate Governance. Unless indicated otherwise, the information in this report for fiscal year 2022/2023 is as of September 30th, 2023.

The information on Corporate Governance can also be retrieved under the following link:

<https://ir.datacolor.com/en/corporate-governance/>

Roles and duties of Datacolor AG

Datacolor AG as top holding company of the Datacolor Group manages Datacolor's business by means of objectives. Datacolor AG is involved in the planning process for the Datacolor Group and monitors adherence to the budget. Once the three-year plan and the budget have been approved by the Board of Directors of Datacolor AG, the Executive Committee acts on its own authority within the limits of the budget and the rules of competence.

Datacolor AG is a public limited company under Swiss law with headquarters in Risch listed on SIX Swiss Exchange. The overview of shareholdings can be found in note 28 on page 39; the market capitalization is shown on page 2.

Strategy

Datacolor's mission is to be a global, customer-focused, growth-oriented, profitable and sustainable company that provides a wide range of innovative, easy to use, high quality products and services assuring color and appearance are accurately measured and managed.

To accelerate growth, Datacolor expands its business activities in adjacent areas by applying its knowhow in product development, manufacturing, sales and support as well as by digitalizing its own and customer's workflows.

The Company aims to be a technology and innovation leader and at least a strong number two in the markets on which it is focused, as well as the standard for color in these segments, by applying leading software and hardware technologies in its products and providing market-leading services primarily through its direct sales organization as well as partners.

By broadening its software offering, Datacolor actively pursues the latest technologies in Cloud Computing, Artificial Intelligence and Big Data analytics, while at the same time developing connected instruments using the latest sensor and data sharing technologies.

Datacolor invests in highly engaged and skilled employees who are in tune with customer needs and live Datacolor's core values.

EXECUTIVE BODIES

Board of Directors of Datacolor AG

Werner Dubach, 1943, CH

Chairman of the Board since 1981, non-executive
Dipl. Ing. Chem. ETH Zurich
MBA Wharton, University of Pennsylvania
1981–2009 CEO and Chairman, Eichhof Holding AG

Activities on executive or supervisory boards

Board Member of two subsidiaries of Datacolor AG
Chairman of the Board, Entrepreneur Partners AG

Jvo Grundler, 1966, CH

Deputy Chairman of the Board since 2017, non-executive
Dr. iur. University of St. Gallen
LL.M. University of Cambridge

Since 2023 Partner Bratschi AG
Since 2017 General Counsel HIAG Immobilien Holding AG
2017–2023 Of Counsel Prager Dreifuss AG
2002–2017 Partner Ernst & Young Legal Services

Activities on executive or supervisory boards

Board Member of two subsidiaries of Datacolor AG
Board Member of HIAG Beteiligung Holding AG
Board Member of HIAG Immobilien Holding AG as well as Board Member of 12 companies associated with HIAG Immobilien

Holding AG

Board Member of Lifortis AG
Board Member of Neutra Treuhand AG
Board Member of SERTO HOLDING AG as well as Board Member of one subsidiary of SERTO HOLDING AG
Board Member of SHL Business Areas AG
Board Member of Star-Ciné AG
Board Member of Transitgas AG
Deputy Chairman of the Board of Villiger Söhne Holding AG as well as Deputy Chairman of one subsidiary of Villiger Söhne Holding AG

Hans Peter Wehrli, 1952, CH

Board member since 2001, non-executive
Prof. em. Dr. oec. publ. University of Zurich
Since 2017 emeritus Professor of Business Administration, University of Zurich

Activities on executive or supervisory boards

2002–2020 Chairman of the Board, Swiss Prime Site AG
1997–2019 Chairman of the Board, Belimo Holding AG
Chairman of the Board of Hårdi Holding AG, as well as Chairman of the Board of three subsidiaries of Hårdi Holding AG
Board Member of Gebäudeversicherung Bern

Thomas Studhalter, 1969, CH

Board member since 2016, non-executive
MS in Business Administration, Swiss Certified Accountant, HWV Lucerne

Since 2021 CEO, BDO AG

2014–2021 Member of the Regional Management Central Switzerland, Partner, BDO AG
2007–2014 Head of the Central Switzerland region, Partner, KPMG AG

Activities on executive or supervisory boards

Board Member of Bataillard AG
Board Member of Swiss Prime Site AG
Member of Foundation Council of Eisner Stiftung, Kamillo-Eisner Stiftung and Stiftung Eranaika as well as Chairman of the Board of Eisner Holding AG and its subsidiary INHAG AG

Hanno Elbraechter, 1980, DE

Board member since 2018, non-executive
European Business Program (EBP) Ecole de Management (ESC) de Bordeaux und University of Applied Sciences Münster
Since 2014 Head of Business Unit Technology, Member of Executive Committee, DKSH
2004–2014 CEO CEO Asia, Deckel Maho Gildemeister

Activities on executive or supervisory boards

2020–2023 Board Member, Rudolph Research Analytical
Board Member of Cummins DKSH, South East Asia
Board Member of DKSH Klingelberg Service Ltd.



Hanno Elbraechter, Hans Peter Wehrli, Werner Dubach, Jvo Grundler, Thomas Studhalter

Datacolor Executive Committee

Albert Busch, 1967, NL/USA
CEO

BS & MS in Electrical Engineering, University of Ghent
MS in Industrial Management, Catholic University Leuven

Since 2008 with Datacolor
Since January 2009 CEO
1991–2008 Management roles, NV Bekaert SA

Philipp Hediger, 1975, CH
CFO

MS in Business Administration, University of Fribourg

Since 2018 with Datacolor
2016–2017 COO/CFO and Member of Executive Management Team, Sequel
2010–2016 CFO, Sequel
2007–2009 Director Financial Reporting, Kofax Group

Patrice Jaunasse, 1964, FR
Vice President Sales and Support
MS in Engineering, Electronics, Telecom and Computer, ESEO

Since 2012 with Datacolor
2002–2011 General Manager and Sales Director EMEA, Tektronix
1998–2002 President and Sales Director, Nettetel Telecom Instrumentation

Kevin Quinn, 1977, USA

Vice President Consumer Solutions
BA in Communications & Marketing, Loyola University Maryland
MBA Business Administration, Sellinger School of Business and Management, Loyola University Maryland

2020–September 2023 with Datacolor
2019–2020 H2Brands Group, Chief Product Officer
2018–2019 Stanley Black & Decker, VP Sales and Marketing

2005–2018 IDL TechniEdge, LLC, Co-Founder & VP Sales and Marketing
2003–2005 Newell Brands – Amerock Division, Strategic Account Channel & Trade Marketing Manager

Yazid Tohme, 1973, USA/LB

Executive Vice President R&D and Operations

BS in Mechanical Engineering, University of Kentucky
MS and Ph.D. in Mechanical Engineering, University of Florida
MBA, University of Massachusetts

Since 2022 with Datacolor
2021–2022 VP Advanced Mobility Solutions, Harman International
2019–2020 Chief R&D Officer and Member of Executive Team, FARO Technologies
2011–2019 SVP of R&D, FARO Technologies



Kevin Quinn, Philipp Hediger, Albert Busch, Patrice Jaunasse, Yazid Tohme

Board of Directors

Elections and term of office

Members of the Board of Directors are elected by the Annual General Meeting of Shareholders for an individual term of office of one year. Newly elected members complete the terms of their predecessors. There are no limitations on terms of office.

Internal organization

The Board of Directors is self-constituting. It appoints committee members and the secretariat.

Duties

The Board of Directors is the supreme executive body of the Holding company. It adopts resolutions which determine the company's fundamental direction and oversees the work of senior management.

Committees

The Board of Directors has established committees to support its work. The primary role of these committees is to prepare business affairs and oversee the implementation of Board resolutions. Furthermore, the Board of Directors may delegate the final handling of certain affairs to the committees, provided that delegation of such tasks is not prohibited by law. The Board of Directors has established two committees: the Finance and Audit Committee as well as the HR and Compensation Committee. Furthermore, the Steering Committee acts as a supervisory and control instrument.

- The Finance and Audit Committee prepares the financial plan, the budgets and the statements for submission to the Board of Directors. Amongst other things, it issues instructions and monitors the appropriation of liquidity and the execution of asset management operations.
- The HR and Compensation Committee drafts proposals for the compensation of the Board of Directors. It also submits proposals to the Board for appointments to the position of CEO and CFO. The Committee sets the fixed and variable components of remuneration for the top levels of management, taking into account the situation on the labor market, performance and achievement established targets. If the Committee deliberates on the remuneration of a member of the HR and Compensation Committee, this member shall withdraw from the proceedings.

Finance and Audit Committee: Werner Dubach, Thomas Studhalter, Albert Busch, Philipp Hediger (without voting right).

HR and Compensation Committee: Dr. Jvo Grundler, Hanno Elbraechter.

Principles of operation of the Board of Directors and its committees

The Board of Directors meets as often as business requires, a minimum is though four times a year. Committee meetings are held in addition to Board meetings. Board

meetings usually last for between half a day and a day.

In 2022/23, the following number of meetings was held:

– Board of Directors	5
– Finance and Audit Committee	6
– HR and Compensation Committee	4

Areas of competency

Board of Directors

The Board of Directors represents the company externally and manages all company activities unless responsibility for these has been transferred to another company body in accordance with the law, the Articles of Association or other policies. The non-transferable and inalienable duties are governed in article 716a of the Swiss Code of Obligations.

Unless the law, the Articles of Association or the directives issued by the Board of Directors stipulate otherwise, the Board of Directors delegate the operational management of the company to the CEO, together with the authority to delegate associated tasks onwards. The company's Organization Regulation governs the breakdown of responsibility between the Board of Directors and the Executive Committee and can be obtained on the following website: <https://ir.datacolor.com/en/corporate-governance/>

Executive Committee

Executive Committee members are appointed by the Board of Directors.

Information and control instruments vis-à-vis the Executive Committee

The Executive Committee informs the Board of Directors about the current status of the business, the consolidated balance sheet, the income statement and deviations to the budget on a monthly basis. On the occasion of the four meetings of the Board of Directors during the year, the Executive Committee reports on significant business transactions and on the results of the group-wide management of financial and operating risks.

Findings of the following bodies also contribute to the regular decision-making process:

- External auditor KPMG AG, Lucerne (auditor for Datacolor AG), which conducts its audit one time a year in accordance with Swiss law and Swiss auditing standards. External auditor meets with the Finance and Audit Committee minimum one time a year to discuss specifically relevant topics.
- Internal Audit and Risk Management, which monitors the existence and adequacy and permanently seeks improvements to the internal control system. Further, a systematic process captures strategic, operational and financial risk and develops and executes measures to mitigate and eliminate risks. Internal Audit is carried out at least once a year throughout the Datacolor Group, however, it is conducted on a topic-specific and unit-by-unit basis. Further information can be found in note 15 on pages 33–34.

Information on general black-out periods

The Board specifies generally applicable black-out periods in the context of the half year and annual financial statements. A black-out period applies to the board of directors, senior management and all persons who through their work gain insight into the preparation of the financial figures of the Datacolor Group: during a reasonable period of time before and after the publication of the half year and annual financial statements of Datacolor AG, the aforementioned persons must not trade in Datacolor shares. The general black-out period begins as a rule 14 to 16 days before and ends two working days after the publication of the relevant ad hoc announcement (ad hoc disclosure pursuant to Art. 53 LR) in connection with the annual or the semi-annual report. For other non-public information, ad hoc black-out periods may be determined by the board of directors, the chairman or the CEO.

Permitted activities

The number of activities permitted for members of the Board of Directors and Executive Committee is governed by Art. 24 of Datacolor's Articles of Association. The Articles of Association can be obtained online on the following website:
<https://ir.datacolor.com/corporate-governance/>

INFORMATION FOR INVESTOR

Share capital

The share capital amounts to CHF 168 044 consisting of 168 044 registered shares with a nominal value of CHF 1 each. The registered shares entitle the holder to one vote at the General Meeting, provided that the shareholder is recorded with voting rights in the Datacolor AG share register.

Authorized capital

There is no authorized capital.

Conditional capital

The share capital can be increased by a maximum amount of CHF 16 804 (previous year: CHF 16 804) by issuing 16 804 registered shares with a nominal value of CHF 1 each. This conditional capital amounts to a maximum of CHF 16 804, which corresponds to 10% of the actual share capital.

Changes in capital

In the reporting period and the three preceding periods the capital structure of Datacolor AG remained unchanged. Refer to the consolidated changes of equity and the statement of changes in equity of Datacolor AG.

Participation certificates

There are no participation certificates.

Limitations on transferability and nominee registrations

There are no limitations with regard to transferability and nominee registrations.

Convertible bonds and options

Datacolor AG has no outstanding convertible bonds. Regarding options please refer to the Compensation report of Datacolor AG.

Share listing

Datacolor AG's shares are listed on SIX Swiss Exchange Zurich under security number 853 104. See Information about Datacolor Share on page 2 for an overview of the stock market listing and details of the market capitalization.

Legal status of shareholders

Shareholders in Swiss public limited companies are granted extensive statutory participation and protection rights by law. These participation rights are further supplemented by the company Articles of Association. These ensure that, pursuant to the Code of Obligations, the Annual General Meeting of Shareholders is convened by placing a one-time announcement in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) and by sending a written invitation to the registered shareholders. An item is added to the agenda of the Annual General Meeting of Shareholders if the corresponding request is received no later than 40 days before the date of the meeting. Every shareholder may, besides the independent proxy provided for by law, allow his or her shares to be represented at the Annual General Meeting by a shareholder with a written proxy form.

Voting rights limitations

Every shareholder entered with voting rights in the share register is entitled to vote - except for the shares of the Members of the Executive Committee in the blocking period. No new entries in the share register are made during the 23 days before the Annual General Meeting of Shareholders. There are no limitations on voting rights.

Entries in the share register

The entry of purchasers in Datacolor AG's share register is not subject to any conditions.

Cross-shareholdings

There are no cross-shareholdings.

Shareholdings in companies

There are no shareholdings in listed companies. Percentage shareholdings in unlisted companies are disclosed in note 28 on the page 39.

Significant shareholders

Refer to Datacolor share information on page 2. Information on changes in ownership and voting rights can be found on the website of the Disclosure Office:

<https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>

There were no disclosures made during the reporting period.

Duty to make an offer

The company's Articles contain no provisions regarding a duty to make an offer.

Clauses on changes of control

There are no clauses on changes of control.

Auditors

Duration of the mandate and term of office of the lead auditor

Datacolor AG has appointed KPMG AG, Lucerne as auditor. In each case, the mandate is granted by Datacolor AG's Annual General Meeting of Shareholders for a period of one year. The mandate was first given to KPMG in 1992. The auditor in charge started the mandate in fiscal year 2022. Rotation corresponds to the legal requirements of seven years.

Audit fee

KPMG received an audit fee of TUSD 222 for the reporting year 2022/23.

Additional fees

In addition to the audit fee, KPMG provided other services for TUSD 199 relating mainly to tax customs, and acquisition related consultancy services.

Supervisory and control instruments vis-à-vis the auditors

The Board of Directors holds at least one meeting a year with the auditor in charge of the mandate. The matters dealt with at these meetings include the planning and conduct of audits, the risks and controls of the Datacolor, the main points arising from management letters, the reports on special audits and the report of the auditor. The Board of Directors has appointed a Steering Committee to manage the audits and to monitor the implementation of the auditors' proposals. This Committee is made up of the Chairman, the CEO and the CFO of Datacolor AG and the auditor in charge of the mandate and meets regularly while audit work is being carried out. During the reporting period, two meetings of the auditors were held with the Board of Directors.

Information policy

Publications

Datacolor AG publishes a semi-annual report and an annual report in accordance with Swiss GAAP FER. Additionally, shareholders and the capital market are kept informed of current changes and developments through press releases. As a company listed on SIX Swiss Exchange, Datacolor AG is aware of its duty to disclose events relevant to its share price (ad hoc disclosure of price-sensitive information). Information of the periodical financial reporting as well as ad hoc news releases and further information on the Datacolor Group can be accessed through website under the following link:

<https://ir.datacolor.com/en/media/>

Key dates

Shareholder's meeting	December 7, 2023
Semi-Annual report	May 7, 2024
Key Figures	October 29, 2024
Annual Report	November 19, 2024
Shareholder's meeting	December 10, 2024

COMPENSATION REPORT

The Compensation Report contains information on the remuneration of the Board of Directors and the Executive Committee of Datacolor AG. The information provided in this Compensation Report relates to the financial year 2022/23, unless otherwise noted. The remuneration report is prepared in accordance with the following regulatory provisions: Swiss Code of Obligation, Ordinance against Excessive Compensation in Listed Corporations (the «Ordinance»), Directive on Information Relating to Corporate Governance by SIX Swiss Exchange, the «Swiss Code of Best Practice for Corporate Governance» of *economiesuisse*.

According to the Ordinance, the General Assembly must vote on the remuneration. The statutes of Datacolor AG includes the tasks and responsibilities of the HR and Compensation Committee, the performance-based remuneration and the allocation of equities, to members of the Board of Directors and Executive Committee.

The complete statutory regulations regarding the approval of remuneration of Directors and the Executive Committee by the General Meeting (Art. 21), applicable additional amount for the remuneration of additional members of the Executive Committee (Art. 22), regulation of the principles of the remuneration (Art. 20), rules for loans and credits (Art. 23) and HR and Compensation Committee (Art. 27) can be found on:

<https://ir.datacolor.com/en/corporate-governance/>

The remuneration paid is disclosed in accordance with the accrual basis accounting principle, independent of cash flow), i.e. all remuneration is reported in the financial year in which it is recorded in the annual financial statements.

1. General principles

The success of Datacolor depends to a large extent on the qualification and commitment of its employees. The key objectives of the remuneration policy are to attract, retain and motivate qualified employees. The performance orientated variable compensation and the share-based component aim to promote entrepreneurial thinking and action. The key principles are:

- Compensation is performance-based and market-driven.
- Employees participate in the economic success.
- Compensation is fair and transparent.
- Short- and long-term compensation components are incorporated.

2. Principles of the compensation system

Remuneration of the members of the Board of Directors consists of two components :

- fixed basic compensation.
- performance-related bonus in cash (short-term).

Remuneration of the members of the Executive Committee consists of three components:

- fixed basic compensation.
- performance-related bonus in cash (short-term).
- performance-related compensation in shares (non-current).

2.1 Compensation of the Board of Directors

The Compensation Policy for the Board of Directors was issued on December 7, 2017. The regulations were revised on September 13th, 2021 for the last time. The members of the Board of Directors (all are non-executive) are remunerated with a fixed cash compensation. Fixed basic compensation includes an annual remuneration, lump sum, other allowances and other payments based on individual agreements (employment agreement of the Chairman of the Board with Datacolor AG Europe) including respective social security deductions. The amount of the fixed compensation is at the discretion of the Board of Directors. Reimbursement of expenses is not deemed as remuneration.

Variable compensation paid in cash, is determined by the Board of Directors after the end of the financial year. The Board of Directors bases its decision on business performance considering organic sales growth (excluding acquisitions and divestitures) and operating profit EBIT.

The Board of Directors complies with the provisions of the corresponding resolution of the Annual General Meeting in determining remuneration.

The Board of Directors has not based its decisions on the compensation for the members of the Board of Directors on benchmarks.

In contrary to the previous financial year, for current 2022/23 period the members of the Board of Directors are not entitled to acquire from their own funds a number of Datacolor AG registered shares determined by the Board of Directors at its own discretion. This is due to the public tender offer for all publicly held shares of Datacolor AG successfully completed by the Chairman of the Board of Directors on 16 October 2023 (hereinafter “public tender offer”).

2.2 Compensation of the Executive Committee

The compensation of the Executive Committee consists of (i) a fixed base salary in cash, (ii) variable performance-based bonus in cash, (iii) a long-term variable compensation based on an equity security component as (iv) contributions to pension funds and social insurances. Reimbursement of expenses is not deemed to be remuneration.

The fixed base salary is mainly determined by the respective organizational function, the accountability level, the qualification and experience and employment market conditions.

For the fiscal 2022/2023, the entire variable compensation of the Executive Board will also be paid in cash. Since fiscal 2015/16 until the 2021/22, 50% of the total variable compensation of the CEO and CFO and 60% of the total variable compensation of the other members of the Executive Board was paid in cash. The remaining part of the variable compensation, 50% for the CEO and CFO and 40% for the other members of the Executive Committee, was paid in registered shares of Datacolor AG. The reason for this change is the public tender offer.

The criteria for determining the total variable compensation (short-term and long-term components) are defined in a set of rules issued by the Board of Directors. The regulations were revised on January 24st, 2023. The resulting adjustments were applied initially in financial year 2022/23. Variable remuneration is determined as follows in accordance with the current regulations:

The pool available for the payment of performance-related bonuses is determined on the basis of two financial value drivers, namely organic sales growth compared to the previous year and budget (60% weighting share) and operating EBIT compared to budget (40% weighting share) The Board of Directors sets respective annual targets for the financial value drivers during the budgeting process. The pool for performance related bonus payments is a maximum of 200% of the budgeted target value of short-term component of variable compensation.

If the EBIT achieved falls below the target set by the Board of Directors by more than 50% (minimum threshold), no credit is recorded in the variable compensation pool and there is no entitlement to variable performance-related bonuses. A proposal from the CEO and approval by the HR and Compensation Committee is required for exceptions.

From the pool of performance related bonuses, the Executive Committee members and other employees eligible for bonus payments receive individual performance-related bonuses based on the achievement of their respective individual performance goals. Measurable individual goals are agreed during the management-by-objectives process at the beginning of each fiscal year between the Chairman of the Board and the CEO as well as between the CEO and the members of the Executive Committee.

The individual performance-related bonus depends on the accomplishment of individual performance objectives and the financial success of the company (organic sales growth, operating EBIT). The performance-related bonus may be a maximum of 150% of the annual target salary. The target salary is defined by the total of both fixed base compensation plus the performance-related variable short-term and long-term compensation.

The achievement of the individual targets is weighted at 100% when determining the performance-related bonus.

The Board of Directors has decided that all registered shares of Datacolor AG granted to the members of the Executive Committee under the share plan in fiscal years 2020/21 and 2021/22 will vest in fiscal year 2022/23 due

to the public purchase offer. As in previous years, there will be no transfer of registered shares of Datacolor AG to the members of the Executive Committee. Instead, the equivalent value (CHF 760.00 per registered share of Datacolor AG, corresponding to the takeover price in the context of the public purchase offer) will be paid out to them in November.

Pension and social insurance expenses include employer contributions to social security as well as mandatory and non-mandatory occupational benefits. The expense regulations for the members of the Executive Committee are basically the same as those applicable for all other employees of the respective group company. Additional rules apply for lump-sum compensation of representatives and petty expenses for the members of the Executive Committee residing in Switzerland that have been approved by the relevant cantonal tax authorities. A company car is made available to one member of the Executive Committee. It's not provided in the employment agreements of the other Executive team members.

The compensation of the Executive Board must be determined in accordance with the provisions of the corresponding resolution of the General Meeting of Shareholders.

Neither benchmarks nor salary comparisons have been applied in determining the compensation of the Executive Board.

Employment agreements have notice periods of a maximum of six months. The employment agreements with the Executive Committee members do not provide for termination pay.

Executive Committee members do not hold permanent executive or consulting functions in any important interest group and do not hold any official or political administrative positions. No management agreement exists.

3. Competences and determination procedures

The overall compensation structure and equity security participation plans are submitted by Corporate Human Resources for review by the CEO and the HR and Compensation Committee. The Board of Directors approves compensation and equity participation plans. In fiscal year 2022/23, no external consultants were utilized.

The HR and Compensation Committee consists of two members of the Board of Directors: Dr. Jvo Grundler (Chairman) and Hanno Elbraechter (Member).

The Board of Directors approves the conditions of employment and mandate contracts, target remuneration for the Board of Directors (including the Chairman), the CEO and the other members of the Executive Committee and determines the annual variable remuneration for the Board and the other members of the Board of Directors. The Board of Directors determines the compensation system including the elements of fixed and variable compensation.

The HR and Compensation Committee (i) proposes the terms of employment and mandate contract and the

Compensation Report 2022/23

annual fix and variable compensation for the Chairman of the Board, (ii) proposes at the request of the Chairman, the conditions of the employment and mandate contracts and the target remuneration for the remaining members of the Board and the CEO, and (iii) proposes upon the CEO's request amendments to contract terms, the target remuneration and the annual variable compensation for the other members of the Executive Committee. The HR and Compensation Committee is responsible for reviewing and, if necessary, revising the compensation system. Board of Director approval is required for all HR and Compensation Committee proposals.

The Chairman proposes the conditions of employment and mandate contracts and the target remuneration for the members of the Board of Directors (excluding the Chairman) and the CEO for the review by the HR and Compensation Committee and approval by the Board of Directors. The Chairman determines the annual variable remuneration of the CEO.

The CEO proposes the conditions of employment contracts, the target remuneration and the annual variable remuneration for the other Executive Committee members for review by the Compensation Commission and approval by the Board of Directors.

The General Meeting elects the members of the Re-

muneration Committee individually for a term of one year until the end of the next ordinary General Meeting. Re-election is permitted. The Remuneration Committee consists of at least two members. Only the members of the Board of Directors may be elected.

The HR and Compensation Committee meets as often as business requires, a minimum of four times a year. In the year under review, the members of the HR and Compensation Committee met on November 8th 2022, January 24th, 2023, on May 08th 2023 and on September 12th, 2023 for one to two hours. All members of the Committee attended all meetings.

4. Compensation for the fiscal year and previous year

4.1 Board of Directors

The total compensation of the members of the Board of Directors, which are all non-Executive, amounted in the reporting period to TCHF 922 (previous year: TCHF 924). In the year under review, the Board's variable compensation amounted to 12% (previous year: 12%) of the fixed compensation. The details of the compensation in the reporting period and previous year respectively are disclosed in the tables below.

in TCHF	Remuneration fix		Remuneration variabel		Social Costs	Pension costs	Total
	cash based	cash based	share based	option based			
Compensation for Board of Directors 2022 /23							
Werner Dubach, Chairman	560	34			30		624
Dr. Jvo Grundler, Deputy Chairman	80	21			6		107
Prof. em. Dr. Hans Peter Wehrli, member	49	13			2		64
Thomas Studhalter, member	49	13					62
Hanno Elbraechter, member	49	13			4		66
Total	787	94			42		922

in TCHF	Remuneration fix		Remuneration variabel		Social Costs	Pension costs	Total
	cash based	cash based	share based	option based			
Compensation for Board of Directors 2021 /22							
Werner Dubach, Chairman	560	34			31		625
Dr. Jvo Grundler, Deputy Chairman	80	21			6		107
Prof. em. Dr. Hans Peter Wehrli, member	49	13			2		64
Thomas Studhalter, member	49	13					62
Hanno Elbraechter, member	49	13			4		66
Total	787	94			43		924

4.2 Geschäftsleitung

Im Berichtsjahr beträgt der leistungsbezogene Bonus der Mitglieder der Geschäftsleitung zwischen 50% und 105% des fixen Grundsalärs (Vorjahr zwischen 78% und 200%).

in TCHF	Remuneration fix cash based	Remuneration variabel cash based	Remuneration variabel share based	Social Costs	Pension Costs	Total
Compensation for fiscal 2022/23						
To five members of the Executive Committee	1 251	886	-	186	69	2 392
Thereof highest compensation: Albert Busch	363	383	-	5	9	760

in TCHF	Remuneration fix cash based	Remuneration variabel cash based	Remuneration variabel share based	Social Costs	Pension Costs	Total
Compensation for fiscal 2021/22						
To five members of the Executive Committee	1 251	817	708	171	87	3 034
Thereof highest compensation: Albert Busch	385	385	385	9	27	1 191

5. Proposals to the Annual General Meeting 2023

According to Art. 21 of bylaws the shareholders will vote on the remuneration of the Board of Directors and Executive Committee separately at the General Meeting 2023 on December 7th, 2023.

5.1 Approval of the remuneration of the Board of Directors

Approval of the total fixed remuneration of the members of the Board by the Annual General Meeting 2023 to the Annual General Meeting 2024: The Board of Directors proposes that the shareholders approve the maximum total amount of the fixed remuneration of the Board members for the period from the Annual General Meeting 2023 to the Annual General Meeting 2024 of TCHF 1 000 (exclusive statutory employer contributions to AHV / IV / ALV).

Approval of the variable compensation of the members of the Board of Directors for the current fiscal year 2023/24: The Board of Directors proposes that the shareholders approve the maximum total amount of the variable remuneration of the Board members for the current financial year 2023/24 of TCHF 600 (exclusive statutory employer contributions to AHV / IV / ALV).

5.2 Approval of the remuneration of the Executive Committee

Approval of the total fixed remuneration of the members of the Executive Committee of the Annual General Meeting 2023 to the Annual General Meeting 2024: The Board of Directors proposes that the shareholders approve the maximum total amount of the fixed remuneration of the members of the Executive Committee for the period from the Annual General Meeting 2023 to the Annual General

Meeting 2024 of TCHF 1 700 (exclusive statutory employer contributions such as AHV / IV / ALV).

Approval of the variable compensation of the members of the Executive Committee for the current fiscal year 2023/24: The Board proposes that the shareholders approve the maximum total amount of the variable remuneration of the members of the Executive Committee for the current fiscal year 2023/24 of TCHF 2 000 (exclusive statutory employer contributions such as AHV / IV / ALV), approve.

According to article 22 of the bylaws of Datacolor, members of the Executive Committee who are appointed after approval of the annual total compensation an additional amount within Art. 19 Ordinance per new member is available to the extent of a maximum of 30% of the most recently approved total for the fixed remuneration of the Executive Committee per financial year, provided that the total amount approved for the corresponding fiscal year is not sufficient.

6. Compensation of former members of the Board Directors and Executive Committee

No compensation was paid to former members of the Executive Committee and Board of Directors in the 2022/23 fiscal year (previous year: TCHF 0).

7. Loans and credits

As of September 30th, 2023 no loans or credits have been granted or are outstanding to the Executive Committee (previous year: TCHF 0). No loans or credits have been granted or are outstanding to members of the

Compensation Report 2022/23

Board of Directors or related parties of current or former members of the Board or Executive Committee.

Loans and credits to Board members or the Executive Committee have to be provided at-arms-length terms. The total maximum amount of outstanding loans and credits is limited to CHF 2 million.

8. Shareholdings and options

The total number of shares held by the Board of Directors and the Executive Committee amounted to 158 113 (previous year: 109 969).

The Board of Directors determines, within the limitation of the amounts approved by the shareholders meeting and with the involvement of the HR and Compensation Committee, the number, granting, exercise and buy back conditions such as the minimum blocking period, employment status and buy back terms in case of the termination of the respective employment or a change of control.

No receivables from and payables to related parties were outstanding at the end of the reporting period and previous year with the exception of the independent pension fund.

	30.09.2023 Number of shares	30.09.2022 Number of shares
Board of Directors and Executive Committee		
Werner Dubach, Chairman	158 113	107 611
Dr. Jvo Grundler, Deputy Chairman	-	262
Prof. em. Dr. Hans Peter Wehrli, Member	-	1 573
Hanno Elbraechter, Member	-	100
Thomas Studhalter, Member	-	150
Executive Committee	-	-
Total	158 113	109 696



Statutory Auditor's Report to the General Meeting of Datacolor AG, Risch

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the Remuneration Report of Datacolor AG (the Company) for the year ended 30 September 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the sections 4 and 6 to 8 on pages 16 to 18 of the Remuneration Report.

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

Basis for Opinion

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

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

Other Information

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

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

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

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



Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. 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 pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

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

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

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



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

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Annina Gmür
Licensed Audit Expert

Lucerne, November 13, 2023

CONSOLIDATED INCOME STATEMENT

in TUSD		2022/23		2021/22	
Net sales	3	93 212	100.0%	87 400	100.0%
Cost of goods sold		-30 843	-33.1%	-29 414	-33.7%
Gross profit		62 369	66.9%	57 986	66.3%
Sales and marketing expenses		-29 099	-31.2%	-25 996	-29.7%
Administrative expenses		-15 040	-16.1%	-13 076	-15.0%
Research and development expenses		-10 195	-10.9%	-7 738	-8.9%
Other operating income / expenses		61	0.1%	-5	-0.0%
EBIT¹⁾		8 096	8.7%	11 171	12.8%
Financial result	6	3 273	3.5%	-5 503	-6.3%
Net result before income taxes		11 369	12.2%	5 668	6.5%
Income taxes	7	-494	-0.5%	-502	-0.6%
Net result for the year		10 875	11.7%	5 166	5.9%
		USD		USD	
Earnings per share	4				
non-diluted		67.60		31.81	
diluted		67.60		31.81	
		CHF		CHF	
Earnings per share²⁾					
non-diluted		62.39		29.88	
diluted		62.39		29.88	

¹⁾ Interest is equated with the financial result.

²⁾ The earnings per share in CHF has been calculated from USD to CHF by using the corresponding average rate of the period.

CONSOLIDATED BALANCE SHEET

in TUSD		30.09.2023		30.09.2022	
Assets					
Cash	8	16 035	16.8%	15 097	18.6%
Current financial assets	9	26 621	27.8%	28 610	35.2%
Trade receivables	10	9 273	9.6%	11 029	13.5%
Other receivables	11	3 526	3.7%	2 562	3.2%
Inventories	12	12 358	12.9%	13 009	16.0%
Current tax assets		182	0.2%	232	0.3%
Prepaid expenses		110	0.1%	179	0.2%
Current assets		68 105	71.2%	70 718	87.0%
Property, plant and equipment	13	8 009	8.4%	7 825	9.6%
Intangible assets	14	15 203	15.9%	1 193	1.5%
Deferred tax assets	7	4 288	4.5%	1 547	1.9%
Non-current assets		27 500	28.8%	10 565	13.0%
Assets		95 605	100.0%	81 283	100.0%
Liabilities and shareholders' equity					
Trade payables		4 383	4.6%	4 925	6.1%
Current tax liabilities		2 541	2.7%	1 624	2.0%
Other current liabilities	17	6 190	6.5%	6 482	8.0%
Accrued liabilities	18	19 552	20.4%	18 611	22.8%
Short term provisions	19	729	0.8%	310	0.4%
Current liabilities		33 395	34.9%	31 952	39.3%
Other non-current liabilities	17	423	0.4%	869	1.1%
Long term provisions	19	2 665	2.8%	357	0.4%
Deferred tax liabilities	7	2 216	2.3%	301	0.4%
Non-current liabilities		5 304	5.5%	1 527	1.9%
Liabilities		38 699	40.5%	33 479	41.2%
Share capital		153	0.2%	153	0.2%
Treasury shares		-5 235	-5.5%	-4 809	-5.9%
Capital reserves		-4 433	-4.6%	-4 433	-5.5%
Retained earnings		66 421	69.5%	56 893	70.0%
Shareholders' equity		56 906	59.5%	47 804	58.8%
Liabilities and shareholders' equity		95 605	100.0%	81 283	100.0%

CONSOLIDATED CASH FLOW STATEMENT

in TUSD		2022/23	2021/22
Net result before income taxes		11 369	5 668
Depreciation of property, plant and equipment	13	1 603	1 367
Amortization of intangible assets	14	992	370
Result from the disposal of non-current assets	13	-61	5
Changes in provisions	19	530	23
Other non-cash positions ¹⁾		585	90
Income / loss from securities	6	-4 623	4 838
Interest income	6	-11	-9
Income taxes paid		-1 413	-742
Cash flow before changes in working capital		8 971	11 610
Changes in trade receivables		2 428	-3 024
Changes in other receivables and prepaid expenses		-1 069	-830
Changes in inventories		822	-2 789
Changes in trade payables		-642	1 711
Changes in other and accrued liabilities		-1 279	2 330
Cash flow from operating activities		9 231	9 008
Investments in property, plant and equipment	13	-1 746	-1 566
Divestments of property, plant and equipment	13	66	15
Investments in intangible assets	14	-459	-411
Investments in financial assets	9	-8 754	-10 354
Divestments of financial assets	9	14 891	7 416
Investments in affiliates	26	-10 609	0
Interest and income from securities		1 534	933
Cash flow from investing activities		-5 077	-3 967
Purchase of treasury shares		-426	-2 430
Dividends paid		-3 486	-6 108
Cash flow from financing activities		-3 912	-8 538
Increase / decrease in cash		242	-3 497
Cash at beginning of the year		15 097	19 637
Translation differences on cash		696	-1 043
Cash at end of the year	8	16 035	15 097

¹⁾ Other non-cash positions contain especially forex differences.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TUSD	Share capital ¹⁾	Treasury shares ²⁾	Capital reserves ³⁾	Retained earnings ⁴⁾	Accumulated translation differences	Total retained earnings	Total shareholders' equity
Balance as of 01.10.2021	153	-2 380	-4 433	58 844	271	59 115	52 455
Dividends paid ⁵⁾				-6 108		-6 108	-6 108
Purchase of treasury shares ⁶⁾		-2 429					-2 429
Translation differences					-1 280	-1 280	-1 280
Net result for the year				5 166		5 166	5 166
Balance as of 30.09.2022	153	-4 809	-4 433	57 902	-1 009	56 893	47 804
Balance as of 01.10.2022	153	-4 809	-4 433	57 902	-1 009	56 893	47 804
Dividends paid ⁵⁾				-3 486		-3 486	-3 486
Purchase of treasury shares ⁶⁾		-426					-426
Translation differences					2 139	2 139	2 139
Net result for the year				10 875		10 875	10 875
Balance as of 30.09.2023	153	-5 235	-4 433	65 291	1 130	66 421	56 906

¹⁾ The share capital as of September 30, 2023 consists of 168 044 (previous year: 168 044) registered shares with a nominal value of CHF 1 each, translated to CHF/USD with the spot rate as of September 30, 2008.

²⁾ Equals the historical purchase value of 7 288 treasury shares (previous year: 6 693). Shares purchased before October 1, 2008 were translated at the CHF/USD closing rate as of September 30, 2008.

³⁾ The capital reserves comprises the reserves from capital contributions confirmed by the Swiss tax authorities (refer to the statutory financial statements of Datacolor AG) and the result of the execution of stock options, as well the result from sale of own shares.

⁴⁾ The retained earnings contain legal reserves that are subject to certain legal restrictions with regard to their distribution, in value of TCHF 84 in the books of Datacolor AG.

⁵⁾ A dividend of CHF 20 (previous year: CHF 35) per share was distributed in the reporting period.

⁶⁾ During the reporting period 595 (previous year: 3 273) Datacolor registered shares were acquired at an average price of CHF 661 (previous year: CHF 697) for a total amount of kUSD 426 (previous year: TUSD 2 429).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General policies for the consolidated financial statements

General

Datacolor AG is a Swiss limited company, domiciled in Risch and is the parent company of the Datacolor Group, a worldwide leading provider of solutions for color measurement, management, communication and calibration.

Basis of preparation

The consolidated financial statements were prepared in accordance with Swiss GAAP FER and comply with Swiss law. The consolidated financial statements have been prepared in US Dollar (USD) and were rounded to the nearest thousand unit. The consolidated financial statements are prepared on a historical cost basis, except for financial current assets which are recorded at market value.

The preparation of consolidated financial statements in accordance with Swiss GAAP FER requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are based on management's best judgement at the date of the financial statements. In case such estimates deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate for the year in which the circumstances change.

Scope of consolidation

The consolidated financial statements include the financial statements of Datacolor AG and its subsidiaries that are controlled by Datacolor AG. Control is presumed to exist when Datacolor AG owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise or otherwise exercises management control. Refer to note 28 to the consolidated financial statements for a listing of all Group entities that are included in the consolidation.

In the current year reporting period on the 15th of May 2023 matchmycolor GmbH (Switzerland- Basel) was acquired with a 100% stake and has been fully consolidated in the group accounts.

There were no changes to the scope of consolidation in the prior year reporting period.

The closing date for the financial statements of Datacolor AG and all its subsidiaries is September 30, with the exception of Datacolor Technology (Suzhou) Co., Ltd., China, Datacolor Trading (Shanghai) Co., Ltd., China and Datacolor Gestão de Soluções em Cores e Imagens Ltda., Brazil (all as of December 31) as well as Datacolor Solutions Private Ltd., domiciled in Mumbai, India (March 31) for which interim financial statements as of September 30 are prepared for consolidation purposes.

Principles of consolidation

The assets and liabilities included in the consolidated financial statements are measured according to uniform

principles. Intragroup balances, intragroup transactions and material unrealized profits resulting from intragroup transactions are eliminated during consolidation. Acquired (disposed) subsidiaries are consolidated upon the date of change of control.

Foreign currency translation

The financial statements of Datacolor AG and its subsidiaries are translated into US Dollar (reporting currency) for consolidation purposes. Assets and liabilities of subsidiaries denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date, the income statement and cash flow statement is translated into the reporting currency at average exchange rate of the respective reporting period. Foreign currency differences deriving from the translation of equity and results of subsidiaries are recorded directly in retained earnings.

In the financial statements of the individual subsidiaries transactions in foreign currencies are recorded at the exchange rate prevailing at the date of transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. All resulting differences are recognized as exchange gains or losses in the income statement of the individual subsidiary.

Cash flow statement

The fund 'cash and cash equivalents' form the basis for the disclosure of the cash flow statement. Cash flow from operations is calculated using the indirect method.

Segment reporting

Datacolor is a global leader in digital color management solutions and provides software, hardware and services for accurate color reproduction of materials, products and photographs.

Based on the annual budget approved by the Board of Directors, the functionally organized Executive Committee undertakes the resource allocation and measurement of corporate performance exclusively on the entire group level. Insofar as Datacolor operates solely within one segment, the information required under Swiss GAAP FER 31.8 is disclosed in the consolidated financial statements.

2 Accounting principles

Net sales and revenue recognition

Net sales include all invoiced sales and services to third parties. Net sales are considered realized when the economic benefits and risks associated with the ownership and legal title of sold products or rendered services are transferred to the transacting third party.

Net sales primarily consist of selling hardware products and software. Revenue resulting from such transactions is recognized based on the underlying incoterms. The global customer base and various interna-

tional distribution channels result in different incoterms. Most maintenance contracts of the service business have a term of 12 months. Therefore, these sales are recognized on a proportional basis over the contract period. Datacolor AG and its subsidiaries are not undertaking project business that would require an estimate of the project realization.

Management participation plan

Share plan

The compensation of the Executive Committee consists of a fixed salary paid in cash, variable performance-based bonus paid in cash and a long-term variable compensation based on equity security component.

The long-term variable compensation to the Executive Committee is paid in Datacolor AG registered shares based on a management share plan. The shares are subject to a vesting period of three years, i.e. ownership of the shares is not transferred to the plan participants until three years have elapsed since the allocation of the shares. The same applies to voting rights. The dividends paid during the vesting period will be paid out to the plan participants after the vesting period has expired. After the end of the vesting period, the acquired shares are generally settled in cash, unless the plan participant submits a written request to continue holding the shares no later than one month before the end of the vesting period. In the event of voluntary termination of employment, the plan participant loses all shares for which the vesting period has not yet expired. In the event of involuntary termination, retirement by mutual consent or in accordance with local regulations, death or disability, vesting will occur for all unvested shares. These shares are then sold to Datacolor AG one month after the termination of the employment relationship.

For each year of the vesting period, the relevant share price for the allocation of Datacolor registered shares is discounted by 6% (in accordance with Circular No. 37 of the Swiss Federal Tax Administration for the Taxation of Employee Stock Ownership). The relevant price for the allocation of the shares is the volume-weighted average price for the period from April 1st to September 30th prior to the allocation of the shares. If less than 3 000 shares were traded during this period, the period is extended to 12 months (October 1st to September 30th).

Share-based payments to the members of the Executive Committee are revalued each year at the average market price of the Datacolor registered shares for the last 6 months or 12 months and booked on personnel expenses over the vesting period of three years and accrued as liabilities. In the current year reporting period the full amount for the corresponding vesting period was charged to personnel expenses. This was due to the public tender offer by Werner Dubach for the publicly held shares and the subsequent expected delisting of the Datacolor shares.

Deferred income taxes

Deferred income taxes are provided following the comprehensive balance sheet liability-method and reflect future temporary differences. The measurement of defer-

red taxes is based on current tax rates applicable for the respective taxable entity.

Deferred tax assets deriving from tax losses carried forward are not recognized.

Impairment of assets

The carrying amounts of non-current assets are reviewed for impairment at each balance sheet date or if there are indications that an asset may be impaired. If an indication of impairment exists, the recoverable amount of the respective asset is determined. Assets are written down to their recoverable amounts, if the carrying values exceed their recoverable amounts. Impairment losses are recognized in the income statement. The recoverable amount is the higher of the estimated asset's net selling price or its value in use. The net selling price is the amount recoverable from the sale of an asset in an arm's length transaction between independent parties less the cost of disposal. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Employee benefit obligations

The subsidiaries of Datacolor Group have different employee benefit plans in accordance with local regulations and customs in the respective countries. These plans are organized in legally independent and autonomous foundations. The plans cover most of the employees and provide benefits in case of death, disability, retirement or termination of employment. Plans are funded predominantly by a combination of employee and employer contributions. Contributions are based on a certain percentage of the insured salary.

Employee benefits of Datacolor Group are organized with external insurance providers and savings institutions, where Datacolor is not exposed to any further contribution commitments beyond contributions owed and recognized.

Cash

Cash include cash, bank accounts, demand deposits. Cash is recorded at nominal value.

Financial assets

Current financial assets are investments in marketable securities that can be permanently liquidated in efficient markets. They are measured at fair value, unrecognized gains or losses are recorded in the financial result of the income statement.

Trade receivables

The net trade receivables balance represents invoiced amounts less an allowance for specific debtor risk and general allowance based on experience of the specific aging structure. The general allowance assumes that the risk of default increases as overdue receivables age.

Inventories

Inventories are measured at the lower of acquisition, production cost or net realizable value. Cash discounts are considered as a decrease in acquisition cost. Valuation

allowances on inventories are made specifically on the basis of necessary business justifications and at a flat rate based on the turnover of the warehouse.

Property, plant and equipment

Tangible fixed assets are comprised of the categories of buildings, machinery and equipment and vehicles.

Property, plant and equipment are recorded at acquisition cost less accumulated depreciation and impairment loss. Land is depreciated only if periodic appraisals reveal a sustained impairment loss. Material elements of specific fixed asset items with different useful lifetimes are depreciated as separate objects. Property, plant and equipment are depreciated on a straight-line basis according to economic criteria corresponding to the estimated useful life:

Buildings	30 – 40 years
Machinery and equipment	3 – 10 years
Equipment	10 – 20 years
Instruments for demonstration use	3 years
ITS	3 – 7 years
Installations	10 – 20 years
Vehicles	5 – 12 years

Intangible assets

Intangible assets are comprised of goodwill, trademarks, licenses and patents, capitalized development costs and other intangibles.

Goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable assets acquired less liabilities assumed. Material goodwill is amortized on a straight-line-basis over a lifetime of five to a maximum of twenty years.

Trademarks, licenses, and patents: Trademarks, licenses, and patents are initially recorded at acquisition cost. Expenditures for internally generated trademarks are recognized as an expense in the current period. Acquired trademarks, licenses, and patents are amortized on a straight-line basis of five to ten years.

Capitalized development costs and other intangible assets: Research costs are charged to the Income statement. Development costs are only capitalized, if the following criteria are cumulatively fulfilled: Development costs are identifiable and controlled by Datacolor, will generate a measurable future benefit for more than one year, the expenses can be captured and measured separately and it is likely that sufficient funds are available for completion and commercially exploiting developed products.

Other intangible assets primarily represents software capitalized at their acquisition costs and amortized on a straight-line basis of five to ten years.

Derivative financial instruments

Derivative financial instruments are recognized as current or non-current financial assets or liabilities, depending on the term. Datacolor AG and its subsidiaries are not applying Hedge Accounting. Therefore, market gains and losses on the hedging instruments are recognized directly in financial result in the income statement until

the underlying transaction of a hedged risk is recognized in the balance sheet. Derivative financial instruments are disclosed at market value in the balance sheet.

Liabilities

Liabilities are recorded at their nominal value.

Provisions

Provisions are made for potential obligations with uncertain timing or amounts as a result of a past event and for which a future outflow of resources is probable. The amount is based on the best possible estimate of the expected outflow of resources. The breakdown of short-term and long-term provision is based on the expected liability within one year.

Treasury shares

Treasury shares are reported at historical acquisition cost and shown as a deduction from equity.

Contingent liabilities

Contingent liabilities are measured on the basis of the probability and impact of future cash outflows and are disclosed in the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The figures below are stated in thousands of US dollars (TUSD) unless otherwise indicated.

3 Additional Information

Geographical Information

in TUSD	2022/23	in % of Totals	2021/22	in % of Totals
Net sales to third parties	93 212	100.0%	87 400	100.0%
Europe	28 387	30.5%	25 603	29.3%
Americas	24 450	26.2%	23 739	27.2%
Asia/Pacific	40 375	43.3%	38 058	43.5%
in TUSD	30.09.2023	in % of Totals	30.09.2022	in % of Totals
Assets	95 605	100.0%	81 283	100.0%
Europe	58 736	61.4%	44 865	55.2%
Americas	14 241	14.9%	12 554	15.4%
Asia/Pacific	22 628	23.7%	23 864	29.4%
	2022/23	in % of Totals	2021/22	in % of Totals
Average number of employees	426	100.0%	387	100.0%
Europe	99	23.2%	80	20.7%
Americas	117	27.5%	113	29.2%
Asia/Pacific	210	49.3%	194	50.1%

4 Net result per share (EPS)

in TUSD	2022/23	2021/22
Net result for the year	10 875	5 166
Time-weighted average number of shares outstanding	160 884	162 411
Basic net result per share in USD	67.60	31.81
Effect of dilution: Number of share	0	0
Adjusted time-weighted average number of shares for diluted earnings per share	160 884	162 411
Diluted net result per share in USD	67.60	31.81

Net result per share is calculated by dividing the net result for the year by the time-weighted average number of shares outstanding (issued shares less treasury shares).

Diluted net result per share include the effect of dilution, which would arise as a result of exercising stock options. There are no unexercised stock options open.

5 Personnel expenses

in TUSD	2022/23	2021/22
Salaries	33 313	29 327
Social security costs	5 824	5 399
Pension costs	20	824
Other personnel expenses	1 233	759
Personnel expenses	41 540	36 309

Increase in wages and salaries due to the future one-time payment of the long-term variable compensation of the Exe-

cutive Board as a result of the public tender offer of all publicly held shares by the Chairman of the Board of Directors Werner Dubach, as well as the increase in the number of employees. See note 21.

6 Financial result

in TUSD	2022/23	2021/22
Interest expense/income	-20	9
Earnings from securities	4 623	-4 838
Foreign exchange gains	2 420	3 775
Foreign exchange losses	-3 750	-4 449
Financial result	3 273	-5 503

The result from securities is a result of the unrealized (TUSD 2 198) and realized (TUSD 1 092) gains from barrier products, as well as interest coupon payments received on barrier products (income TUSD 1 352) and the negative result of the forward contract (loss TUSD 19).

The result from securities in prior year was a result of the unrealized (TUSD 4 193) and realized (TUSD 1 780) losses from barrier products, as well as interest coupon payments received on barrier products (income TUSD 1 036) and the positive fair value of the forward contract (income TUSD 99).

On 29 April 2022, a sale of USD 4.0 million at USD/CHF 0.9573 was entered into as a forward foreign exchange contract with a value date of 3 November 2022. The contract in the prior period was fair valued as at 30 September 2022 with an unrealised gain of USD 99 thousand. On 3 November 2022, part of the contract was extended to 3 February 2023 (USD 3.05 million at USD/CHF 0.9881) and part (USD 0.95 million) was closed. The cash result on these transactions amounted to USD 80 thousand, with a negative financial result of USD 19 thousand.

The net foreign exchange loss results mainly from translation losses on marketable securities due to the devaluation of currencies against the USD.

7 Income taxes

in TUSD	2022/23	2021/22
Current income taxes	-2 399	-748
Deferred income taxes	1 905	246
Income taxes	-494	-502

Deferred tax assets amounting to TUSD 4 288 (previous year: TUSD 1 547) consist of temporary differences between tax and Swiss GAAP FER balance sheets. The increase is mainly due to the activated differences at Datacolor Inc. due to the recent change of R&D expense tax treatment.

The deferred tax liabilities of TUSD 2 216 (prior year: TUSD 301) mainly consist of the deferred tax liabilities due to the identified intangible assets of the acquisition matchmycolor GmbH.

Deferred tax assets and liabilities are recorded on the basis of expected local tax rates calculated. This resulted in an average weighted tax rate of 20% (previous year: 20%).

The effect of the change in tax-deductible loss carry forwards on income taxes is shown in the following table:

in TUSD	2022/23	%
Taxes before the tax effect from the use of unrecognized loss carry forwards	-1'011	9%
Tax effect from unrecognized losses	97	-1%
Tax effect from the use of unrecognized loss carry forwards	420	-4%
Taxes after the tax effect from the use of unrecognized loss carry forwards	-494	4%

in TUSD	2021/22	%
Taxes before the tax effect from the use of unrecognized loss carry forwards	-1 723	30%
Tax effect from unrecognized losses	150	-3%
Tax effect from the use of unrecognized loss carry forwards	1 071	-18%
Taxes after the tax effect from the use of unrecognized loss carry forwards	-502	9%

The capitalization of tax-usable losses carried forward are not recognized. The total amount of tax losses carried forward is USD 1.2 million. (previous year: USD 2.9 million.) and the predominant part can be used without any time restrictions. However, no deferred tax assets were capitalized for these loss carry forwards, the tax value of these loss carry forwards amounts to USD 0.4 million. (previous year: USD 0.8 million.)

8 Cash

in TUSD	30.09.2023	30.09.2022
Cash on hand	2	3
Cash at bank	16 033	15 094
Cash	16 035	15 097

9 Financial assets

in TUSD	30.09.2023	30.09.2022
Securities held for trading	26 621	28 610
Current financial assets	26 621	28 610

In the reporting period the net amount of TUSD 6 137 has been divested in marketable short-term financial assets. In previous year the net amount of TUSD 2 938 has been invested. These financial assets are subject to different investment risks. Refer to note 15 risk management and internal controls.

10 Trade receivables

in TUSD	30.09.2023	30.09.2022
Trade receivables, gross	9 653 100%	11 630 100%
Allowance for doubtful debts	-380 -4%	-601 -5%
Trade receivables, net	9 273 96%	11 029 95%

11 Other receivables

in TUSD	30.09.2023	30.09.2022
Other receivables from		
– Third parties	826 23%	676 26%
– Government	840 24%	580 23%
– Pension funds	53 2%	44 2%
– Related parties	49 1%	42 2%
Prepayments to third parties	1 758 50%	1 220 47%
Other receivables	3 526 100%	2 562 100%

12 Inventories

in TUSD	30.09.2023		30.09.2022	
Semi-finished and finished goods	12 795	75%	12 286	72%
Trading goods	4 361	25%	4 757	28%
Gross inventories	17 156	100%	17 043	100%
Allowances	-4 798	-28%	-4 034	-24%
Net inventories	12 358	72%	13 009	76%

The decrease in inventory values was mainly driven by the impairment on electronic components.

13 Property, plant and equipment

in TUSD	Operating properties	Other mobile fixed assets	Total property, plant and equipment
Acquisition or production costs			
Balance as of 01.10.2021	13 994	10 181	24 175
Additions	345	1 221	1 566
Disposals	0	-433	-433
Translation differences	-36	-394	-430
Balance as of 30.09.2022	14 303	10 575	24 878
Additions	438	1 308	1 746
Changes in scope of consolidation	0	36	36
Disposals	0	-277	-277
Translation differences	15	112	127
Balance as of 30.09.2023	14 756	11 754	26 510
Accumulated depreciation			
Balance as of 01.10.2021	8 494	7 957	16 451
Additions	419	948	1 367
Disposals	0	-409	-409
Translation differences	-29	-327	-356
Balance as of 30.09.2022	8 884	8 169	17 053
Additions	463	1 140	1 603
Disposals	0	-273	-273
Translation differences	13	105	118
Balance as of 30.09.2023	9 360	9 141	18 501
Net carrying amount			
Balance as of 30.09.2022	5 419	2 406	7 825
Balance as of 30.09.2023	5 396	2 613	8 009

Other mobile fixed assets contain primarily machines, furnishings, equipment and vehicles.

The gain on the disposal of property, plant and equipment in the reporting period amounted to TUSD 61 (previous year: loss of TUSD 5).

14 Intangible assets

in TUSD	Capitalized development costs and other intangible assets	Trademarks, licenses, patents	Goodwill	Total
Acquisition or production costs				
Balance as of 01.10.2021	10 284	297	0	10 581
Additions	377	34	0	411
Disposals	0	0	0	0
Translation differences	-382	0	0	-382
Balance as of 30.09.2022	10 279	331	0	10 610
Additions	136	323	0	459
Changes in scope of consolidation	0	8 110	6 425	14 535
Disposals	0	0	0	0
Translation differences	354	2	0	356
Balance as of 30.09.2023	10 769	8 766	6 425	25 960
Accumulated amortization				
Balance as of 01.10.2021	9 346	81	0	9 427
Additions	364	6	0	370
Disposals	0	0	0	0
Translation differences	-380	0	0	-380
Balance as of 30.09.2022	9 330	87	0	9 417
Additions	379	345	268	992
Disposals	0	0	0	0
Translation differences	348	0	0	348
Balance as of 30.09.2023	10 057	432	268	10 757
Net carrying amount				
Balance as of 30.09.2022	949	244	0	1 193
Balance as of 30.09.2023	712	8 334	6 157	15 203

Capitalized development costs and other intangible assets include primarily the group-wide utilized ERP system and software solutions.

Research and development expenses amounting to TUSD 10,195 include TUSD 9,582 (previous year: TUSD 7,738) in expenses which, with the exception of the following capitalisations, were not capitalised, as in the previous year, because the necessary capitalisation criteria were not met (see valuation principles).

In the reporting period capitalized development costs and other intangible assets in the amount of TUSD 136 (previous year: TUSD 377) have been capitalized. The additions relate primarily to consolidation software.

As part of the acquisition of matchmycolor GmbH and the inclusion in the scope of consolidation, intangible assets totaling TUSD 14 535 were identified, which are amortized over a useful life of 10 years. See note 26.

15 Risk management and Internal controls

Due to its international business, the Datacolor Group is exposed to different operational and strategic risks which are assessed on an ongoing basis in a centralized risk management process. The risks classifications are based on the analysis of the likelihood and impact. Action plans to mitigate and transfer risks are developed. On a yearly basis, a consolidated risk report is presented to the Board of Directors for approval.

A risk assessment is performed, for identified risks relating to financial reporting and accounting. The group wide internal controls framework for the financial reporting defines relevant key controls that reduce financial risks. Moreover, the Datacolor Group is targeting to develop a control environment that ensures a disciplined management of the existing risks.

Financial risks include credit, investment, illiquidity, foreign exchange and interest risks.

Credit

Credit risk is the risk of financial losses consist of customers or a counterparty of a financial instrument are unable to meet their obligations.

In the area of credit risks, risk management is generally based on appropriate ongoing monitoring of day-to-day business and a corresponding risk assessment when a transaction is concluded.

The default risk in terms of trade receivables is limited, since the customer base of the Datacolor Group consists of a large number of customers from various geographical regions. Nevertheless, the risk management process stipulates an individual customer risk assessment in case of excess of certain credit limits for transactions or outstanding balances.

Financial assets

Datacolor invests excess liquidity in various short-term financial asset classes to generate financial returns. The financial performance of individual investments is impacted by various factors. Investment decisions follow an internal investment policy, that stipulates guidelines with respect to permissible financial asset categories and investment diversification.

Liquidity

Centralized cash management ensures that the Datacolor Group has sufficient liquidity for obligations. The Executive Committee implemented guidelines and processes for liquidity planning meeting the Group requirements.

Foreign currency

The Datacolor Group is exposed to foreign currency risks by virtue of its international business and supply chain. These risks occur in transactions which take place in currencies other than the functional currency of the company, particularly in purchasing and selling goods. Transactions are primarily settled in EUR and USD. The individual companies plan cash flows on a regular basis in local currency and report these to the Group Executive Committee.

The difference between incoming and outgoing payments in a specific foreign currency, particularly in USD and EUR, is considered material. Remaining net positions are monitored by Group Management and hedged on a selective basis if deemed necessary.

The following exchange rates of the most important currencies for the Group were used for translation into US Dollar:

Currency	Unit	Balance Sheet		Income Statement	
		30.09.2023	30.09.2022	2022/23	2021/22
		closing		average	
CHF	1	1.09	1.02	1.08	1.06
EUR	1	1.06	0.98	1.06	1.10
GBP	1	1.22	1.11	1.22	1.30
CNY	1	0.14	0.14	0.14	0.15

Interest

Interest risk comprise an interest-rate related cash flow risk, i.e. the risk that future interest payments will change due to fluctuations in the market interest rate, together with an interest rate related risk of a change in fair value, i.e. the risk that the fair value of a financial instrument changes due to fluctuations in the market interest rate.

The consolidated financial statements of the Datacolor Group as per September 30, 2023 do not include any financial liabilities that are subject to an interest rate change risk.

16 Financial liabilities

in TUSD	30.09.2023	30.09.2022
Credit lines available	21 583	23 964
Unused credit lines	21 583	23 964

Available and unused credit lines for Datacolor Group CHF 19.75 million (previous year: CHF 23.5 million). Compared to previous year, a frame credit at Credit Suisse was increased from CHF 5.0 to CHF 10.0 million and the one at UBS was reduced from CHF 12.0 million to CHF 3.25 million.

17 Other liabilities

in TUSD	30.09.2023	30.09.2022
Other current liabilities against		
– Government	545	508
– Third parties	9	66
– Management	2 231	598
Prepayments from third parties	3 405	5 310
Other current liabilities	6 190	6 482
Other non-current liabilities	423	869
Other liabilities	6 613	7 351

The liability from the management participation plan (share plan) amounts to TUSD 2 231 (previous year: TUSD 946), from which the short term portion TUSD 2 231 (previous year: TUSD 598) is shown as other current liabilities and the long term portion TUSD 0 (previous year: TUSD 348) as other non-current liabilities.

Refer to note 2 accounting principles and note 21 management participation plan.

18 Accrued liabilities

in TUSD	30.09.2023	30.09.2022
Deferred revenue for service contracts and shipments	8 685	8 211
Employee related accruals	7 188	7 122
Year-end closing (audit, tax consulting, bookkeeping)	423	482
Other accrued expenses	3 256	2 796
Accrued liabilities	19 552	18 611

19 Provisions

in TUSD	Warranty	Other	Earn-out Consideration	Total
Balance as of 01.10.2021	364	280	0	644
Additions	394	49	0	443
Used	-364	0	0	-364
Translation differences	-10	-46	0	-56
Balance as of 30.09.2022	384	283	0	667

Disclosed in the consolidated balance sheet as:

Short term provision	310	0	0	310
Long term provision	74	283	0	357

Balance as of 01.10.2022	384	283	0	667
Additions	724	58	0	782
Changes in scope of consolidation	0	0	2 186	2 186
Used	-268	0	0	-268
Translation differences	5	22	0	27
Balance as of 30.09.2023	845	363	2 186	3 394

Disclosed in the consolidated balance sheet as:

Short term provision	729	0	0	729
Long term provision	116	363	2 186	2 665

Provisions for warranty cover potential warranty claims, which are likely to incur based on the experience of past warranty cases. The calculation is based on realized sales transactions for which a warranty promise has been given to customers, the probability of warranty cases and associated internal and external warranty costs.

As part of the acquisition of matchmycolor GmbH, an additional portion of the purchase price is due as an earn-out consideration on May 31, 2026. This amount has been fully accrued in the balance sheet accordingly. See note 26.

20 Employee benefits

Economic benefit / economic liability and pension expenses

in TUSD	Surplus / deficit according to pension plans under Swiss GAAP FER 26		Economic share of the company	Change compared to previous year, recognized in the period	Accrued contributions for the period		Pension plan expenses in personnel expenses
	30.09.2023	30.09.2022			2022/23	2021/22	
Pension plans without own assets (aboard)	0	-103	-102	1	967	968	712
Pension plans with surplus/ deficit (Switzerland)	0	0	0	0	202	202	112
Total	0	-103	-102	1	1 169	1 170	824

Most pension plans are financed through contributions from the employer and employee. Contributions are calculated as a percentage of the insured salary.

In Switzerland the pension plan is regulated through an independent fund („Gemeinschaftsstiftung“). The actuarial coverage according to Art. 44 BVV2 was at 107.5% as of September 30, 2023, at 106.6% as of December 31, 2022 and 101% as of September 30, 2022. In contrary to an independent collective foundation („Sammelstiftung“), the community foundation („Gemeinschaftsstiftung“), is not required to prepare individual statements for each associated company in accordance with Art. 48b BVV2. Therefore no economic share of the company is disclosed and surplus / shortfall.

The pension liability of TUSD 103 (previous year: TUSD 102) relates to contractual pension commitments of the subsidiary in Germany. An actuarial report is prepared annually to calculate the necessary provision on the basis of the annual pension. Other plans outside Switzerland are defined contribution plans.

21 Management participation plan

A compensation component for the Executive Board takes the form of equity securities (see Compensation Report, 2.2 Compensation to Executive Board), this is set up in the form of a share plan.

A total of 1 143 registered shares of Datacolor AG were allocated to the members of the Executive Committee in November 2022. The number of registered shares as of September 30, 2023 amounts to 2 444, resulting from the year 2021 and 2022 allocation. Due to the public tender offer by Werner Dubach for the publicly held shares and the subsequent delisting of the Datacolor shares, those registered shares will be exercised early in November 2023 at the offered purchase price of CHF 760 per share. The full amount for the respective vesting period was charged to personnel expenses.

The personnel expense for the share participation plan in fiscal year 2022/23 amounts to TUSD 1 349 (previous year: TUSD 617). The total liability recognized amounts to TUSD 2 231 (previous year: TUSD 946), of which the full amount is recognized as a current portion under other current liabilities.

22 Related parties and companies

Material transactions with related parties were:

in TUSD	Transactions		Liabilities as per	
	2022/23	2021/22	30.09.2023	30.09.2022
BDO AG, Lucerne: Payroll/Outsourcing Services (Thomas Studhalter, Member of the Board of Directors, is CEO/Partner of BDO AG)	42	63	1	3
Bratschi AG: Legal Services (Jvo Grundler, Member of the Board of Directors, Of Counsel, since 2023)	100	0	37	0
Prager Dreifuss AG, Attorneys at Law: Legal Services (Jvo Grundler, Member of the Board of Directors, Of Counsel, until 2023)	80	172	0	17

None of the registered shares were sold to members of the Board of Directors in this year nor in the previous year (refer to Consolidated Statement of Changes in Equity on page 25).

The financial investments are managed by the company Entrepreneur Partners. Werner Dubach is Chairman of the Board of Directors at Entrepreneur Partners.

For Remuneration to the Board of Directors and the Executive Committee please refer to the Remuneration Report of Datacolor AG page 14ff. The shareholdings are disclosed in Note 4.2 of the statutory report of Datacolor AG.

23 Leasing liabilities

As in the previous year, no obligations from finance lease contracts existed at the balance sheet date.

The leasing expenses in the financial year amount to TUSD 350 (previous year: TUSD 293).

The following overview shows future liabilities arising from non-capitalized operating lease contracts arranged in order of the due dates:

in TUSD	30.09.2023	30.09.2022
Due in reporting period + 1 year	297	286
Due in reporting period + 2 years	221	215
Due in reporting period + 3 years	163	102
Due in reporting period + 4 years	122	44
Total operating lease liabilities	803	647

24 Contingent liabilities

In the reporting year, there are two guarantee obligations in the amount of TUSD 9.1 in favor of third parties valid until June 30, 2024.

In the previous year, there were three guarantee obligations in the amount of TUSD 16.5 in favor of third parties, of which TUSD 8.1 were valid until December 31, 2022 and TUSD 8.4 are valid until June 30, 2024.

The company is involved in legal disputes, lawsuits and court cases in the ordinary course of business. As far as the company can ascertain at the current point in time, such disputes are not expected to exceed existing provisions or otherwise exert a material influence on its financial situation or operating result.

25 Securing of own liabilities

In the previous year, the securities deposit was pledged as collateral for a credit line, this remains unchanged in the reporting year.

26 Acquisitions

In the reporting year on May 15, 2023, 100% shares of matchmycolor GmbH, Basel, Switzerland were purchased.

The most important balance sheet items of this company as of the date of acquisition with the transaction rate at the date of acquisition converted from CHF into USD are shown in the following table.

TUSD	5/15/2023
Cash and cash equivalents	377
Trade receivables	338
Other receivables	48
Property, plant and equipment	36
Intangible assets	8 110
Trade payables	-47
Accrued liabilities	-1 046
Deferred tax liabilities	-1 059
Acquired net assets at present value	6 757
Goodwill	6 425
Total purchase price	13 182
Cash and cash equivalents acquired	-377
Earn-out Consideration	-2 196
Cash outflow from acquisition of investments, net	10 609

matchmycolor GmbH specializes in color formulation and communication software with the Colibri Software. This strategic acquisition is in line with the company's vision and growth strategy and further strengthens Datacolor's market position, expands its global industry presence in color management furthermore adds on innovative color management solutions to the company's software offering.

The net assets acquired were valued at fair values. As part of this valuation process, intangible assets were identified, the Colibri Software was valued at TUSD 6 862 and the Colibri Trademark at TUSD 1 248. The goodwill resulting from the acquisition amounts to TUSD 6 425. The useful life of the intangible assets was defined as 10 years and will be amortized on a straight-line basis over this period.

The net sales of matchmycolor GmbH since the acquisition date amounted to TUSD 1 453, the EBIT to TUSD 97 and have been included in the consolidated income statement.

No acquisitions were made in the previous year.

27 Subsequent events

The consolidated financial statements were approved for publication by the Board of Directors on November 13, 2023. They have yet to be approved in the general meeting.

The Board of Directors is to propose to the general meeting no dividend to be paid for the financial year 2022/23. Refer to the proposed appropriation of available earnings in the report of Datacolor AG.

Since the balance sheet date and up to 13 November 2023, a material event has occurred. On 30 October 2023, Datacolor acquired the assets of Illuminati Instrument Corporation (California, USA), a manufacturer of wireless light and colour measurement devices for photography and videography. Illuminati Instrument Corporation generated sales of TUSD 250 in 2022. With this acquisition, Datacolor expands its portfolio of colour tools for creative professionals.

Due to pending information, a definitive purchase price allocation has not yet been carried out. The preliminary cash purchase price amounted to TUSD 600. An additional purchase price payment (earn-out) is due in 2026. The amount of this additional purchase price payment depends on the future operating results of the company and ranges between USD 0 and TUSD 500.

28 Group entities

Company	Location	Currency	Share capital in '000	Ownership interest in %
Datacolor AG Europe ¹⁾	CH-Risch	CHF	2 000	100
Datacolor Holding AG	CH-Risch	CHF	100	100
matchmycolor GmbH	CH-Basel	CHF	20	100
Datacolor France SAS	FR-Paris	EUR	274	100
Datacolor GmbH	DE-Marl	EUR	256	100
Datacolor Asia Pacific (HK) Ltd.	HK-Hong Kong	HKD	10	100
Datacolor Inc.	US-Lawrenceville	USD	35 808	100
Datacolor UK Ltd.	GB-Cheshire	GBP	75	100
Datacolor Belgium BV	BE-Gentbrugge	EUR	186	100
Datacolor Italia S.r.l.	IT-Bergamo	EUR	20	100
Datacolor Industrial S.r.l.	IT-Reggio Emilia	EUR	13	100
Datacolor Technology (Suzhou) Co., Ltd.	CN-Suzhou	USD	3 200	100
Datacolor Trading (Shanghai) Co., Ltd.	CN-Shanghai	CNY	1 364	100
Datacolor Solutions Private Ltd.	IN-Mumbai	INR	100	100
Datacolor Color Technologies Trading and Service Company LLC	TR-Istanbul	TRL	100	100
Datacolor Gestão de Soluções em Cores e Imagens Ltda.	BR-Sao Paulo	BRL	350	100
Datacolor Vietnam Co., Ltd.	VIE-Ho Chi Minh City	VND	2 273	100

¹⁾ The company is the only entity held directly by Datacolor AG.

Compared to previous year, the company matchmycolor GmbH was acquired in the reporting year. See note 26.



Statutory Auditor's Report to the General Meeting of Datacolor AG, Risch

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Datacolor AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 September 2023 and the consolidated statement of 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 22 to 39) give a true and fair view of the consolidated financial position of the Group as at 30 September 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

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 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 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

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



Key Audit Matter

Total consolidated net sales of the financial year 2022/23 amounted to USD 93.2 million. Net sales are a key performance indicator for assessing Datacolor Group's performance and therefore in the focus of internal and external stakeholders. Revenues comprise the sale of color measurement and calibration instruments as well as the respective service and maintenance contracts, whereas in the context of revenue recognition different characteristics need to be considered.

Sales for the color measurement and calibration instruments are based on sales arrangements with standardized international commercial terms and conditions (incoterms), which govern the transfer of risks and rewards.

The majority of the underlying contracts of the service and maintenance business have a term of 12 months. For these contracts the correct recognition as well as the recognition in the appropriate period of revenue is particularly relevant. The service and maintenance contracts are invoiced in advance, accrued and recognized in the income statement on a pro-rata basis over the contract period. The correct recognition of accrued revenue in the appropriate period is highly dependent on data extracted from the IT-system for calculating the revenue recognition and revenue accrual.

Our response

Our response We reviewed the existence of the significant key controls identified by Datacolor in the area of revenue recognition and revenue accrual.

In addition, we performed, amongst others, for the revenues of the color measurement and calibration instruments the following procedures:

- Based on samples of delivery notes and corresponding receipts of payment we tested whether the correct transfer of risks and rewards related to the goods sold to the client has taken place and if the revenues were recognized in the correct period.
- We furthermore performed analytical procedures including, amongst others, margin analysis.

Amongst others, our procedures for service and maintenance contracts comprised the following:

- We tested the accuracy of the underlying data used for the calculation of the accrued revenue by vouching a sample of orders and invoices to the amounts recorded.
- We furthermore completely re-performed the calculation of the accrued revenue as per September 30, 2023 and compared it with Datacolor's calculation.

Moreover, we assessed the appropriateness of the disclosure.

For further information on revenue recognition refer to the following:

- Accounting principles on page 26 and 27
- Note 18 Accrued liabilities on page 35



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 compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER 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 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 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

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Annina Gmür
Licensed Audit Expert

Lucerne, November 13, 2023

FINANCIAL STATEMENTS OF DATACOLOR AG

BALANCE SHEET

in TCHF		30.09.2023		30.09.2022	
Aktiven					
Cash and cash equivalents	3.1	77		110	
Other current receivables					
– from third parties		0		0	
– from investments		138		1 393	
Prepaid expenses		16		4	
Current assets		231	1.4%	1 507	8.2%
Loans from investments	3.2	6 800		6 800	
Investments	3.2	10 000		10 000	
Non-current assets		16 800	98.6%	16 800	91.8%
Assets		17 031	100.0%	18 307	100.0%
Liabilities and shareholders' equity					
Other current liabilities					
– to third parties		167		18	
– to investments		2 383		4 705	
Accrued liabilities	3.3	632		705	
Current liabilities		3 182	18.7%	5 428	29.6%
Liabilities		3 182	18.7%	5 428	29.6%
Share capital		168		168	
Statutory capital reserves from tax capital contributions		19		19	
Statutory legal reserves		84		84	
Retained earnings		18 581		17 218	
Treasury shares	3.4	-5 003		-4 610	
Shareholders' equity		13 849	81.3%	12 879	70.4%
Liabilities and shareholders' equity		17 031	100.0%	18 307	100.0%

INCOME STATEMENT

in TCHF	2022/23	2021/22
Income from investments	5 000	4 600
Service income	668	720
Total operating income	5 668	5 320
Personal expenses	-522	-516
Administrative expenses	-615	-508
Total operating expenses	-1 137	-1 024
Operating profit	4 531	4 296
Financial income	51	51
Financial expenses	-2	0
Profit before taxes	4 580	4 347
Direct taxes	0	0
Profit for the year	4 580	4 347

STATEMENT OF CHANGES IN EQUITY

in TCHF	Share capital	Statutory capital reserves from tax capital contributions	Statutory legal reserves	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of 1.10.2021	168	19	84	18 609	-2 327	16 553
Dividends paid				-5 738		-5 738
Profit for the year				4 347		4 347
Changes in treasury shares					-2 283	-2 283
Balance as of 30.09.2022	168	19	84	17 218	-4 610	12 879
Balance as of 1.10.2022	168	19	84	17 218	-4 610	12 879
Dividends paid				-3 217		-3 217
Profit for the year				4 580		4 580
Changes in treasury shares					-393	-393
Balance as of 30.09.2023	168	19	84	18 581	-5 003	13 849

NOTES

1 General information

1.1 Legal form, registered office and capital

Datacolor AG was established as a joint-stock company in Switzerland and is domiciled in Risch.

The share capital of Datacolor AG amount to CHF 168 044 and is made up of 168 044 registered shares with a par value of CHF 1 each. The shares are listed on the SIX Swiss Exchange Zurich under security ID 853 104.

The financial statements were approved by the Board of Directors on November 10, 2023 and will be submitted to the Annual General Meeting on December 7, 2023.

2 Key accounting and valuation principles

The present financial statements for Datacolor AG have been prepared in accordance with the regulations of Swiss financial reporting law (32nd title of the Swiss code of obligations). It is possible to create and dissolve hidden reserves in order to ensure the company's continued prosperity. The main accounting and valuation principles used, which are not already specified by the Code of Obligation, are described below.

2.1 Foreign currency items

The currency in which Datacolor AG operates is Swiss Francs (CHF). Transactions in foreign currencies are converted into the currency in which the company operates at the exchange rate on the day the transaction takes place.

Monetary assets and liabilities in foreign currencies are converted into the currency in which the company operates at the exchange rate on the balance sheet date. Any profits or losses resulting from the exchange are recorded in the income statement.

Non-monetary assets and liabilities are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the income statement.

2.2 Related parties

Related parties include subsidiary companies, members of the Board of Directors and Datacolor AG shareholders. Transactions with related parties must take place under proper market conditions (dealing at an arm's length).

2.3 Loans and investments

Loans and investments are valued at acquisition costs less accumulated amortization.

2.4 Treasury shares

Treasury shares are recorded at acquisition costs on the balance sheet as negative items in the shareholders' equity. If they are resold at a later date, the profit or loss is recorded as financial income or financial expenses having an effect on net income.

2.5 Share based payments

The difference between the acquisition cost and the market value is recorded as personnel expenses, if treasury shares are used for share-based payments.

2.6 Renounce cash flow statement and additional disclosures in the notes

Datacolor has refrained in accordance with the new Swiss reporting law from disclosing the notes for interest-bearing liabilities and audit fees as well as the cash flow statement, since the company has prepared consolidated financial statements in accordance with an accepted accounting standard (Swiss GAAP FER).

3 Information relating to items on the balance sheet and income statement

3.1 Cash and cash equivalents

in TCHF	30.09.2023	30.09.2022
in CHF	74	105
in EUR	1	0
in USD	2	5
Total	77	110

3.2 Investments and loans

Loans to Group companies are granted on a long-term basis for financing purposes. The significant direct and indirect investments of Datacolor AG in Group companies are disclosed in note 28 of the consolidated financial statements.

3.3 Liabilities resulting from management participation plan

Information with respect to the management participation plan is disclosed in note 2 accounting principles to the consolidated financial statements.

3.4 Treasury shares

Datacolor AG holds a total of 7 288 (previous year: 6 693) treasury shares. These are carried at TCHF 5 003 (previous year: TCHF 4 610) and valued at cost.

In financial year 2022/23 595 registered shares were purchased at an average price of CHF 661 and none of the registered shares were sold to the Board of Directors.

In financial year 2021/22 3 273 registered shares were purchased at an average price of CHF 697 and none of the registered shares were sold to the Board of Directors.

in TCHF	2023			2022		
	Nominal	Book value	Number	Nominal	Book value	Number
Balance as of 01.10	7	4 610	6 693	4	2 327	3 420
Shares purchased	1	393	595	3	2 282	3 273
Balance as of 30.09	8	5 003	7 288	7	4 610	6 693

The share capital entitled to dividend payments amounts to CHF 163 200 as per September 30, 2023 (previous year: CHF 163 663).

4. Other information

4.1. Information on full-time positions on annual average

Datacolor AG has an annual average of below 10 full-time positions (previous year: below 10 full-time positions).

4.2. Shareholdings

	30.09.2023 Numbers of shares	30.09.2022 Numbers of shares
Board of Directors and Executive Committee		
Werner Dubach, President	158 113	107 611
Dr. Jvo Grundler, Deputy President	-	262
Prof. em. Dr. Hans Peter Wehrli, Member	-	1 573
Hanno Elbraechter, Member	-	100
Thomas Studhalter, Member	-	150
Executive Committee	-	-
Total	158 113	109 696

The members of the Board of Directors accepted Werner Dubach's public tender offer for the publicly held shares and sold their shares.

4.3. Remuneration to Board of Directors and Executive Committee

Information concerning compensation, loans and advances, given to current and former members of the Board of Directors and members of the Executive Committee are disclosed in the Compensation Report of Datacolor AG on page 14ff.

4.4. Significant shareholders

The Board of Directors of Datacolor AG is aware of the following individual shareholders and jointly voting shareholders' groups whose holdings exceed 5% of all voting shares:

	30.09.2023	30.09.2022
Werner Dubach	94,09%	64,04%
Community of heirs – Anne Keller Dubach	0,00%	19,70%

4.5. VAT taxation group

In the context of the taxation group for the Swiss value added tax Datacolor AG is jointly liable for the group company Datacolor AG Europe, Risch.

4.6. Solidarity guarantee

Datacolor AG as sole guarantor is jointly and severally liable for Datacolor AG Europe up to a maximum amount of CHF 3 250 000 for all claims in connection with UBS business relationships.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

Proposal of the Board of Directors

Appropriation of retained earnings

Following retained earnings can be used by the general assembly for the distribution:

Retained earnings as per 30.09.2023	CHF	18 581
Treasury shares as per 30.09.2023	CHF	-5 003
Retained earnings available for distribution by the general assembly	CHF	13 578

The Board of Directors proposes the following appropriation of retained earnings to the general assembly:

Distribution of a dividend on dividend-entitled share capital	CHF	-
Carry forward to new account	CHF	18 581

The Board of Directors proposes no dividend to be paid out from the retained earnings.



Statutory Auditor's Report to the General Meeting of Datacolor AG, Risch

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Datacolor AG (the Company), which comprise the balance sheet as at 30 September 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 44 to 49) 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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 compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Annina Hanselmann
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