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This language version has been translated from the original French Half-Year Report. In case of doubt the French language version applies.

Half-Year Report 2025 of the CMSA Group

Dear Shareholders,

The first half of the 2025 financial year is already behind us. On this occasion, we would like to provide you with an overview of the current development of the CMSA Group.

Significant Revenue Decline in the First Half Due to Weak Watch Industry and Geopolitical Environment
In the first half, the downward revenue trend from the previous year continued and stabilized at a lower level. High precious metal prices and the tense geopolitical environment unsettled the markets and impacted demand. At the same time, we observed increased interest in development projects and further inventory reductions by our customers. Additionally, since April, the new U.S. tariffs have burdened the Medtech and Dental business.

The revenue of the CMSA Group (excluding precious metals) amounted to CHF 63.6 million as of June 30, representing a decline of 20.0% compared to the previous year. Organically, i.e., excluding the acquisition of Galvador SA in 2025, the decline was 20.5%. EBITDA decreased by 52% compared to 2024 (excluding the impact of precious metal prices).

Several companies implemented organizational adjustments and short-time work. Considering the difficult geopolitical environment, the decline in demand in the watch industry, and rising precious metal prices, the results reflect the market situation. At the net profit level, we expect that book gains on precious metals—arising from higher precious metal prices—will offset a large part of the negative development in EBITDA. (The transition to Swiss GAAP FER is not yet completed; therefore, this effect still needs to be confirmed.)

Given these challenges, we are implementing the necessary corrective measures to strengthen stability and optimize processes. We are also rolling out a unified ERP system across the Group, laying a solid foundation for the future. The further development of a common, group-wide culture and the implementation of a unified corporate identity as the CMSA Group are ongoing.

Watch Industry CDMO
Swiss watch exports fell worldwide in the first half by 0.1% in CHF and 5.7% in units. All price segments recorded a decline (in units). In the higher-price segment, unit volumes fell by 4.5%, reaching the level of 2022. The precious metal watch segment saw a 5.3% decline in unit volumes.
This downward trend is reflected in the CMSA Group companies through a marked drop in orders and smaller delivery volumes, as well as a shortening of planning horizons. At the same time, we are also seeing growth in new projects for the future. Revenue in the watch industry declined by 29.9% compared to the previous year to CHF 38.0 million. The “Habillage” segment was particularly affected.
In June, all companies of the Group once again welcomed our customers together at our booth at the EPHJ trade show. The newly established Key Account Management organization strengthens our cross-divisional collaboration with customers. Despite challenging times, we did not lose any customers, we were able to develop new ones, and we expanded our offering with existing clients.

Medtech CDMO
The global Medtech market is fundamentally still growing. However, price pressure and, in particular, the strong Swiss franc are weighing on some product categories. By investing in the renewal of our machinery, we were able to improve efficiency and thus stabilize margins.

Group revenue in the Medtech CDMO segment amounted to CHF 15.0 million, a decrease of 5.3% compared to the previous year. The main reasons are the long-term decline in demand for precious metal abutments, the geopolitical situation, and the impact of the U.S. tariffs (effective from the second half), which led to order postponements. In addition, there were slight delays in commissioning additional machine capacities for new projects. Overall, the order situation and new projects give us confidence, and we continue to expand our capacities.

Industry CDMO
In this segment, we are mainly influenced by developments in the semiconductor and electronics industries. Many countries are investing heavily in these markets, and we are seeing a recovery in order intake. We were able to expand our customer base and drive forward projects that will strengthen us in the long term.
In addition, we built up our competence center for surface treatment, particularly electroplating, thereby strengthening our expertise and offering in this area. The acquisition of Galvador SA brought us additional specialized know-how and enabled investments in this growth segment. Revenue amounted to CHF 5.6 million in the first half (+48.5% compared to the previous year), with organic growth of around 36.2%.

Dental Brand
Despite investments in sales and marketing, we were unable to stop the negative trend of recent years. The new product SUPRALOC, presented at the IDS trade fair, is still in development and will not generate additional revenue before early 2026.
To reduce costs and automate processes, we implemented further measures - for example, our web shop contributes to higher efficiency. Globally, we are observing a consolidation of dental practices, laboratories, and clinics. Geopolitical developments -particularly in our growth market, the Middle East - U.S. tariffs, and the downward trend in precious metal products led to revenue of CHF 5.4 million (-13.5% compared to the previous year). The two remaining subsidiaries in Spain and France performed below expectations. We continue to review alternative distribution channels for these two markets.

U.S. Tariffs
Our direct U.S. business affected by the 39% tariffs accounts for only a low single-digit percentage of our revenue. Since the Group does not import into the U.S., we are not directly affected. In the short term, we expect our U.S. customers to bear the additional costs and adjust their prices. We remain in close contact with our customers and are monitoring developments closely.
If the 39% tariffs remain in place, we must assume that we will lose part of our U.S. business, unless we succeed in reducing production costs through productivity and efficiency gains. In our main watch industry segment, we are indirectly affected, as the U.S. accounts for 20% of the Swiss watch export market. The long-term impact of tariffs on the Swiss watch industry cannot be estimated at this time.
Already last year, we decided to evaluate expansion abroad - including into the U.S. - to strengthen the Group's diversification. The aim is to be closer to our customers and accompany development projects from the very beginning.

Outlook
The business environment has been very unstable for months and is characterized by major fluctuations. Predictability has decreased significantly, yet we are receiving many new project requests for the future. We continue to invest selectively and tactically, creating a stable and sustainable foundation while fostering the versatility and agility of our resources and capacities.
The group-wide rollout of the SAP S4/HANA ERP system, the introduction of a unified quality management system, and the consolidation of our corporate structures support this process and prepare us for the future. We do not expect the environment to improve in the second half, and we must reckon with significantly lower results. The necessary measures have been initiated to ensure sustainable development and stability.
The challenges are numerous, but we are highly motivated to overcome them together with our very committed and flexible teams.

We thank you for your trust and extend our warmest regards, dear Shareholders.

Philippe Milliet
Chairman

Philipp von Büren
CEO CMSA Group