

2017/18 Condensed Annual Report

Your Specialist
for Hazardous
Reactions.

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Dear Shareholder,

Herewith we present to you DOTTIKON ES Group's Condensed Annual Report 2017/18 for the period from April 1, 2017, to March 31, 2018. Net sales were increased by 4.3 percent to CHF 158.2 million. The production output – net sales plus inventory changes in semi-finished and finished goods – rose by 7.7 percent to CHF 162.4 million. Existing projects and customer relationships were further developed and represented a significant broad-based growth factor. The net sales increase, the increase in inventory in semi-finished and finished goods, as well as the more material-intensive product mix and the higher personnel expenses driven by an increase in the number of employees resulted in an EBITDA of CHF 47.3 million and an EBITDA margin of 29.9 percent. Due to lower depreciation and amortization compared to the previous year, EBIT was up around 16 percent at CHF 31.1 million (previous year: CHF 26.7 million) and the EBIT margin rose to 19.6 percent (previous year: 17.6 percent). Net income rose by around 17 percent to CHF 25.9 million (previous year: 22.2 million), resulting in a net income margin of 16.4 percent (previous year: 14.6 percent). Despite an increase in investments in additional development and manufacturing capacities of around 14 percent to CHF 40.5 million, cash and cash equivalents and current financial assets rose by around 8 percent to CHF 54.6 million. Shareholders' equity rose by around 10 percent, while the equity ratio remained at a solid 80 percent.

This year's Annual Report is dedicated to our employees and the employees of our suppliers who actively drive the planning and construction of our additional capacities, such as the new laboratory facility.

Assessment of situation

The existing geopolitical risks of the new tripolar world order centered on the United States, Russia, and China continue to intensify. Despite the favorable economic environment, the global economic risk factors remain high or have intensified against the background of record global debt. Many companies have exhausted their growth potential from value capture based on global economies of scale and the outsourcing to low-cost countries. The consolidation aimed at defending monopoly premiums continues in many industries. Technology and innovation pressure is on the rise. Amid growing uncertainty and ongoing regionalization, values such as trust, reliability, and long-term consistency – along with cultural and regional proximity – continue to gain importance.

The tripolar world order is accentuating, and the collision course that the US president pursues sheds more light on Russia's and China's shifting, partially subversive and concealed extension of power and influence. This intensifies the risk of economic and fiscal conflicts, proxy wars, and military provocation at the borders of these areas of influence and makes it visible, as recently brought to reality in the Middle East. At best, the United States' rather unpredictable, open and direct confrontational course has a disciplinary effect on Russia's and China's governments as well as on smaller potential troublemakers. In turn, it may also rather quickly result in significantly greater economic and military conflicts with global reach. Crumbling Europe, still lacking direction and struggling with secessionist tendencies, is reluctant to adopt a clear, united Western attitude and stance, particularly against the background of Brexit. Potentates exploit

this multipolar environment marked by short-term power vacuums to strengthen their position and build autocratic structures. Military armament is on the rise around the globe. In order to obtain geopolitical security and secure a future Europe without wars, it will be of essence whether the Western alliance manages to act timely as one and rearm its military forces.

The political muscle used to vehemently defend economic interests in the new tripolar world order and the resulting trade disputes, however, are not the only threats to the currently friendly economic situation. An additional risk derives from global debt, which reached a new record of 225 percent of global GDP in 2016, according to the International Monetary Fund. At 105 percent of GDP in 2017, government debt ratios in advanced economies reached the highest level since the Second World War. The IMF forecasts that roughly two-thirds of these nations will reduce their debt ratios over the coming 5 years – provided that they live up to their fiscal promises. In contrast, government debt of the United States, still the largest global economic player, is expected to soar from currently 108 percent to 117 percent of GDP by 2023 on the back of debt-financed tax cuts and an increase in government spending. If inflation rises more strongly and swiftly than currently anticipated, central banks will be forced to raise interest rates quickly. This, in turn, would result in a sharp fall in prices of currently highly valued assets, and the generous capital inflow would dry up. Refinancing would become more difficult.

The demographic trend and the accelerated market approval for generics, biosimilars, and novel drugs, combined with inexpensive capital, are key volume growth and innovation drivers in the pharmaceutical market.

The demographic developments continue to ensure further long-term volume growth. In high-income countries, life expectancy rises continually. By 2030, life expectancy in these nations is expected to increase by another 3 to 6 years. In the nations leading this list, life expectancy at birth will exceed 90 years for the first time. The United States are an exception to this rule: Due to lifestyle, US life expectancy is 1.5 years below the average of OECD countries, and it has even fallen slightly since 2014 due to alcohol, illegal and legal drug abuse. Worldwide, average life expectancy is forecast to rise by another year over the coming 5 years. Today, almost 1 billion people worldwide are over the age of 60 years, and the United Nations expects this number to rise to 2.1 billion by 2050. An increase in the number of older people with higher life expectancy in industrialized countries, general population growth, environmental pollution, and an increase in wealth in emerging markets result in an increase in acute and chronic diseases as well as the respective demand for effective medicines. Global drug demand volume rises by around 3 percent annually, approximately in line with the annual growth in the number of people over the age of 65. Due to state-imposed efforts to boost generics and cut health care costs, generics now make up around 80 percent of the prescription drug market volume-wise, but given the lower prices, they only account for 28 percent of global sales. In China, generics account for 95 percent of drug unit sales, and even in the United States, this share stands at a solid 88 percent in 2017. In some European countries and in Japan, generics penetration levels are approximately 5 to 20 percentage points lower, but they also keep rising annually by a few percentage points. Due to the accelerated market approval process, the number of approved generics in the United

States has grown by around 40 percent since 2015 to more than 700. Accordingly, price and consolidation pressure on the back of intensified competition has increased. Today, on average, the United States count four to five producers per generic drug, but about half of the generic drugs are still produced by two or fewer manufacturers.

A similar development is expected for biosimilars, the generic versions of biologics affected by patent expiries. Global pharma sales with biosimilars currently only make up around 2 percent of the biologics market, but even so, it has doubled to CHF 4 billion in 2017. In the United States, the largest pharma market in terms of global drug sales with a market share in excess of 40 percent, biosimilars sales and their market penetration remain modest for the time being. In an effort to reduce health care costs, however, the FDA has its mind set on changing this situation: It intends to simplify and accelerate the approval process for biosimilars. By 2020, the United States are expected to have approved around 25 to 35 biosimilars. Currently, more than 1'100 biosimilars are in the development stage, and 90 of them are in late clinical development or are awaiting their market approval. Compared to biologics, the price for biosimilars is expected to be around 30 percent lower. Asian producers make up the lion's share of biosimiliars manufacturers.

Contrary to the tactics adopted by the rest of the world, the United States are trying to curb the rising health care costs mainly by stepping up the economic competition. Among generics and biosimilars manufacturers, this intensified competition is already at play. The discounts of an average of 30 percent granted by the pharmaceutical companies on their list prices still remain

stuck within the strongly consolidated drug distribution channels and rarely reach the patients. In 2016, the three largest intermediary buyers and distributors represented a combined market share of 76 percent of generics sales. They stand opposite a growing number of competing generics manufacturers. Time will tell whether the announced market entry of online distributors will disrupt the oligopolistic drug distribution structure and whether this will result in increased competition in the distribution channels and, subsequently, in lower drug prices for the end consumer. Furthermore, some US states have taken measures against the annual price hikes for approved drugs with little competition by introducing new transparency rules and ceilings for annual price increases. On the federal level, competition is still the measure of choice. The main method is an additional acceleration of the market approval for drugs targeting rare diseases or orphan drugs (specialty drugs). Specialty drugs sales have seen annual growth rates of 12 percent since 2007. At 15 percent, small molecules have made an above-average contribution to the annual growth of this segment over the last 5 years, compared to biologics with 12 percent. In 2016, average medical expenses for a treatment with specialty drugs in the 100 top-selling drugs stood at CHF 140'000 per patient and year, thus making a considerable contribution to the rise in health care costs. 61 percent of the 46 approved drugs in 2017 were subject to expedited development and review methods for accelerated market approval. In 2019, the FDA intends to allocate 13 percent more funds to make the processes for innovative drugs even more transparent and effective, which should further intensify competitive pressure. Small and medium-sized biotech companies account for a significant percentage of innovation, and they

increasingly introduce their products into the market by themselves. In 2017, they made up 51 percent of FDA market approvals. In only 28 percent of FDA approvals, the large pharma companies were the originators, while inlicensing and acquisitions accounted for the remaining 21 percent. The growing number of market approvals and the faster pace of the approval process, along with the intensified competition and price pressure over the last 10 years, have shortened the times available to generate profits despite patent protection. Accordingly, the average return on invested capital for pharma has fallen step-by-step over the past few years. Due to low interest rates and a lack of investment alternatives, financing in the biotech sector remains favorable. In 2017, as in the 3 years before, the US and European biotech industries in sum were able to raise more than CHF 40 billion. Global pharma and biotech spending for research and development is expected to continue to grow by 2 percent annually. Expected annual growth rates for the global pharmaceutical market stand at 2 to 5 percent. With more than 50 percent of this growth coming from the United States and Europe, these markets are the main growth drivers. Looking ahead, around 80 percent of high-margin specialty drug sales will continue to be generated in the United States, the EU5 and Japan. Oncology, the largest indication area, currently accounts for 10 percent or CHF 100 billion of the total global pharmaceutical market, with these nations making up 75 percent of the overall oncology market. Annual growth is estimated at 16 percent in these seven countries until 2022.

The trend to repatriate drug substance and drug product manufacturing from Asia to the West has gained more momentum amid supply, quality, and intellectual property concerns, intensified

regulatory pressure from US and European authorities, and rising costs. From 2016 to 2017, the number of warning letters issued by the FDA to drug manufacturers doubled to 46, with data integrity being mentioned as an issue in 65 percent of the warning letters. More than two-thirds of the drug GMP warning letters the FDA issued outside the United States over the last 5 years concerned Asian producers. At the same time, considering the intensifying price and innovation pressure, many large pharma companies no longer regard API production as one of their core business areas as long as it does not require proprietary technology. This is particularly true for small molecule APIs. In addition, small and medium-sized biotech companies are not interested in owning and tying up capital in expensive cGMP production facilities. Yet given the more stringent regulatory requirements, additional services and documentation are necessary with regard to the development and manufacturing of APIs. This explains the growing demand for process development, process and API analytical methods, API manufacturing and documentation, as well as further-reaching services at Custom Development and Manufacturing Organizations (CDMO). CDMO also play an important role in the diversification of approval risks and quantity requirement volatility related to intensifying competitive pressure. In addition, they can support biotechs thanks to their long-standing experience in the compilation of Chemical Manufacturing Control (CMC) documents required for the application for approval. If the required quality is delivered at the first attempt, painful opportunity costs and intense delays can be avoided in the market approval process. Reliability, an impeccable quality track record, and profound experience are the key criteria in selecting a CDMO, as switching costs are high and a change in CDMO is time-consuming. In 2016, the pharma CDMO market had an estimated

sales volume of around CHF 60 billion, and it is expected to continue to grow by approximately 6 percent annually, thus outgrowing the overall pharma market. With an estimated 600 companies, the CDMO industry is strongly fragmented. Many companies are held privately. In recent times, the sector's growth potential has attracted a number of strategic and tactical investors. The number and volumes of M&A transactions have been on the rise over the last 5 years. Currently, three basic CDMO strategy models can be observed: (i) specialization with a strong focus on a few value chain segments and niche technologies; (ii) horizontal consolidation, external growth based on capacity acquisition in the same value chain segment; and (iii) vertical integration, backward or forward integration in adjacent value chain segments, usually by acquisition. Many large CDMO with a global footprint currently execute a hybrid strategy between horizontal consolidation and vertical integration, while smaller and medium-sized CDMO tend to focus on technology and performance leadership. The real art lies in offering the entire range of development, manufacturing, and respective services for one or several value chain segments – with competent, high-quality execution and without dissipating energy. Time will tell whether (i) process and analytical development and drug substance manufacturing; (ii) drug product formulation and finishing; and (iii) the respective filling, packaging and distribution create sufficient synergistic value if they are offered, in total or partially combined, by the same company. It is clear that these three main value chain segments require completely different competences, facilities, and skills, both technologically and functionally. Offering these services from different operationally independent sites solely under the same CDMO brand does not add enough value for customers.

The topline pharma market development together with the mechanistic changes in the pharma value chain results in a promising perspective for high-quality, technologically experienced, and specialized providers of exclusive synthesis, especially in API manufacturing. In outsourcing APIs that are still under patent protection, pharmaceutical companies prefer partners that are able to provide the full range of services from chemical synthesis routefinding, the chemical process and analytical development, and multi-step manufacturing to the API, including validation and stability studies. On the one hand, the partners should possess a cutting-edge development and manufacturing infrastructure, an impeccable quality track record, and a broad technology platform, while on the other hand offer profound experience in the development of chemical processes and the manufacturing of APIs. In addition, pharmaceutical companies are interested in maintaining a very limited number of interfaces and cooperate with a select group of strategic partners throughout all stages from development up to market introduction and supply.

The global pharma pipeline today is promising and full of innovation. Market approval processes are accelerating and competitive pressure is on the rise. Quality requirements and regulations continue to increase, resulting in longer cGMP sequences in chemical API synthesis and foster higher cGMP manufacturing volume requirements. The increasing repatriation and outsourcing of small molecule APIs, along with the shortage of process development and manufacturing experience and capacities among biotech and pharmaceutical companies, have already created first bottlenecks in high-quality, technologically proficient chemical process development and

API manufacturing capacities. This trend is set to become even more apparent over the coming few years, as many CDMO have been rattled by several changes of ownership and the subsequent restructuring or are, based on the crucial experiences over the last two decades, still unwilling to make capital-intensive investments in high-quality development and manufacturing capacities.

Review

In the period under review, net sales were increased by 4.3 percent to CHF 158.2 million. Meanwhile, the production output – net sales plus inventory changes in semi-finished and finished goods – rose by 7.7 percent to CHF 162.4 million. The growth was purely organic, i.e. without any acquisitions of business units, and was entirely self-financed and broad based thanks to a further development of the existing project and customer relation base.

Expenses for research and development were increased by 10.6 percent and accounted for around 10 percent of net sales in the period under review. For the first time, services related to API manufacturing climbed to 9 percent of net sales.

KEY FIGURES, APRIL–MARCH

CHF million	2016/17	2017/18	Changes
Net sales	151.7	158.2	4.3%
EBITDA	48.6	47.3	-2.6%
EBITDA margin (in % of net sales)	32.0%	29.9%	
EBIT	26.7	31.1	16.4%
EBIT margin (in % of net sales)	17.6%	19.6%	
Net income	22.2	25.9	16.8%
Net income margin (in % of net sales)	14.6%	16.4%	
Operating cash flow	57.0	39.2	-31.3%
Employees (FTE, annual average)	544	573	5.3%

The net sales increase, the increase in inventory in semi-finished and finished goods, as well as the more material-intensive product mix resulted in approximately a 26 percent increase in material expenses in the reporting period. Mutually compensating extraordinary effects in personnel and other operating expenses of CHF 6 million each in the previous year, together with a 5.3 percent increase in the average number of staff in the reporting period, led to a 20 percent increase in personnel expenses compared to the previous year (excluding the previous year's extraordinary effect: around 8 percent) and a 22 percent decrease in other operating expenses. This results in an EBITDA of CHF 47.3 million, down 2.6 percent from the previous year, and an EBITDA margin of 29.9 percent (previous year: 32.0 percent). Together with lower depreciation and amortization compared to the previous year due to the previous year's value adjustments on rectification plants and infrastructure, EBIT was up around 16 percent at CHF 31.1 million (previous year: CHF 26.7 million). The EBIT margin rose to 19.6 percent (previous year: 17.6 percent). Net income rose by around 17 percent to CHF 25.9 million (previous year: CHF 22.2 million), resulting in a net income margin of 16.4 percent (previous year: 14.6 percent). Despite an increase in investments in additional development and manufacturing capacities of around 14 percent to CHF 40.5 million, cash and cash equivalents and current financial assets rose around 8 percent to CHF 54.6 million.

In the period under review, the increase of chemical development and API drying capacities with the creation of new facilities and the expansion of existing ones, which will mainly be put into operation in early 2019, was driven ahead. In addition, the planning for a new raw material,

intermediates, and API warehouse and the extended basic engineering for a further expansion of chemical multipurpose production capacities have been continued. Shareholders' equity rose by around 10 percent, while the equity ratio remained at a solid 80 percent.

Outlook

In the current pharmaceutical environment, DOTTIKON ES remains well positioned to capture the expected medium-term growth potential amid the ongoing expansion of process development and analytical resources as well as its API manufacturing and drying capacities. The corporate strategy – strategic partner and specialist for hazardous reactions – is reaffirmed: By using enabling technology, we develop and manufacture high-quality, demanding chemical products safely and efficiently. We cultivate an integrated partnership with our customers. By applying our full development and manufacturing capabilities, we support our customers in the successful execution of their strategy. In doing so, we create more value for our customers than our competitors.

The pharmaceutical market is and remains the main market in which profitable growth is achieved. For this purpose, capacity utilization of the existing infrastructure will be increased. In order to achieve the expected net sales growth in the medium term, new laboratory facilities for additional process development and analytical capacities as well as further API drying capacities will be created and put into operation in the business year 2018/19. The activities for the construction of a new raw material, intermediates, and API warehouse will be tackled. In addition,

the extended basic design for a new multipurpose API production plant is driven ahead. Against this background, investments will rise substantially in the current business year. For financing the new chemical multipurpose production plant in planning, external options for issuing a corporate bond are in evaluation.

We continue to focus on safety, reliability, high flexibility, and speed and are thus strengthening our position as strategic development and manufacturing partner. In order to ensure long-term growth, the independent Performance Chemicals project team develops new proprietary innovative products to satisfy currently unmet market needs and bring them closer to market readiness.

Our one-site strategy allows short decision and communication pathways. This ensures rapid and efficient project development as well as clear and transparent communication with our customers. The safety culture created over 105 years guides innovative use of hazardous reactions, low-temperature and high-pressure chemistry, as well as continuous processing. This shortens conventional chemical synthesis routes, increases yields, selectivities, and purities, and reduces waste. The versatile technology and equipment portfolio is used, maintained, and continuously expanded to design, develop, and optimize chemical processes, and rapidly scale up from kilograms to multi-tons and to produce and deliver the respective market quantities.

Following the rapid growth seen over the last few years, 2018/19 will be a year of stabilizing past successes, additional buildup and expansion efforts, as well as advance performances for the expected product-related medium-term growth. For the full business year 2018/19, we anticipate net sales in the order of magnitude of the previous year, with a weaker first half year than in the first half of the previous business year.

Dottikon, May 17, 2018

A handwritten signature in black ink, consisting of a stylized 'M' followed by a large, looped 'B' and a horizontal line extending to the right.

Dr. Markus Blocher
Chairman of the Board of Directors

Group Financial Statements DOTTIKON ES Group

Consolidated Income Statements

April–March
CHF thousand and %
(condensed)

	Notes	2016/17	%	2017/18	%
Net sales	(1)	151'748	100.0	158'231	100.0
Changes in semi-finished and finished goods		-925		4'184	
Other operating income		4'212		3'889	
Material expenses		-28'570		-35'876	
Personnel expenses	(2)	-53'310		-63'937	
Other operating expenses		-24'581		-19'164	
EBITDA		48'574	32.0	47'327	29.9
Depreciation and amortization	(5, 6)	-21'877		-16'261	
EBIT		26'697	17.6	31'066	19.6
Financial income		598		1'016	
Financial expenses		-449		-696	
Financial result		149		320	
Result from associated companies		-38		8	
Net income before taxes		26'808	17.7	31'394	19.8
Income taxes		-4'649		-5'518	
Net income		22'159	14.6	25'876	16.4
Basic/diluted earnings per share in CHF		17.74		20.70	
Weighted average number of shares		1'249'050		1'250'075	

Consolidated Statements of Comprehensive Income

April–March
CHF thousand
(condensed)

	2016/17	2017/18
Net income	22'159	25'876
Foreign exchange forwards		
Realized gains (losses) on foreign exchange forwards	-697	-64
attributable income taxes	129	12
Changes in fair value of foreign exchange forwards	35	45
attributable income taxes	-6	-8
Items that will be reclassified subsequently to the income statement	-539	-15
Employee benefits		
Actuarial gains (losses)	-3'154	4'145
attributable income taxes	587	-771
Limitation of the asset ceiling in accordance with IAS 19.64	0	0
attributable income taxes	0	0
Interest on the effect of the asset ceiling	0	0
attributable income taxes	0	0
Items that will not be reclassified subsequently to the income statement	-2'567	3'374
Other comprehensive income, net of taxes	-3'106	3'359
Total comprehensive income	19'053	29'235

Consolidated Balance Sheets

CHF thousand and %
(condensed)

	Notes	31.03.2017	%	31.03.2018	%
Cash and cash equivalents		40'317		46'666	
Current financial assets		10'404		7'915	
Trade receivables	(3)	43'084		53'933	
Income tax receivables		3'977		0	
Other receivables		2'344		1'665	
Inventories	(4)	45'448		52'143	
Current assets		145'574	38.3	162'322	38.1
Property, plant and equipment	(5)	207'517		231'476	
Intangible assets	(6)	514		512	
Investments in associated companies		1'224		1'232	
Pension surplus		25'684		30'096	
Non-current assets		234'939	61.7	263'316	61.9
Assets		380'513	100.0	425'638	100.0
Trade payables		5'462		10'061	
Income tax liabilities		0		1'962	
Other current liabilities		29'227		37'732	
Current provisions	(7)	5'605		500	
Current liabilities		40'294	10.6	50'255	11.8
Non-current provisions	(7)	0		4'985	
Deferred tax liabilities		29'001		29'301	
Non-current liabilities		29'001	7.6	34'286	8.1
Liabilities		69'295	18.2	84'541	19.9
Share capital		127		127	
Share premium		60'901		61'358	
Retained earnings		254'894		284'129	
Own shares		-4'704		-4'517	
Shareholders' equity		311'218	81.8	341'097	80.1
Shareholders' equity and liabilities		380'513	100.0	425'638	100.0

Consolidated Cash Flow Statements

April–March
CHF thousand
(condensed)

	Notes	2016/17	2017/18
Net income		22'159	25'876
Income taxes		4'649	5'518
Financial result		-149	-320
Depreciation of property, plant and equipment	(5)	21'641	16'075
Amortization of intangible assets	(6)	236	186
Result from associated companies		38	-8
Other non-cash income and expenses		-5'201	-36
Interest received		8	37
Interest paid		-19	-20
Income taxes paid		-4'996	-46
Changes in			
Trade receivables		9'777	-10'797
Other receivables		-773	663
Inventories	(4)	-156	-6'695
Trade payables		145	1'677
Other current liabilities		4'057	7'180
Provisions	(7)	5'605	-120
Cash flow from operating activities		57'021	39'170
Outflows of			
Current financial assets		-11'384	-11'964
Property, plant and equipment	(5)	-27'852	-35'381
Intangible assets	(6)	-88	-270
Inflows of			
Current financial assets		1'015	14'476
Property, plant and equipment	(5)	12	0
Intangible assets	(6)	0	0
Cash flow from investing activities		-38'297	-33'139
Dividends paid		0	0
Purchase of own shares		0	0
Disposal of own shares		0	0
Cash flow from financing activities		0	0
Currency translation effect on cash and cash equivalents		-10	318
Net change in cash and cash equivalents		18'714	6'349
Cash and cash equivalents at the beginning of the reporting period		21'603	40'317
Cash and cash equivalents at the end of the reporting period		40'317	46'666

Consolidated Statements of Changes in Equity

CHF thousand
(condensed)

^Changes in own shares in the reporting year 2017/18:
disposal of 961 shares within the shareholding program for employees
(previous year: disposal of 1'702 shares within the shareholding program
for employees)

	Share capital	Share premium	Changes in fair value of foreign exchange forwards	Other retained earnings	Own shares [^]	Shareholders' equity
Balance 01.04.2016	127	60'713	591	235'250	-5'045	291'636
Net income				22'159		22'159
Foreign exchange forwards						
Realized gains (losses) on foreign exchange forwards			-697			-697
Changes in fair value of foreign exchange forwards			35			35
Employee benefits						
Actuarial gains (losses)				-3'154		-3'154
Limitation of the asset ceiling in accordance with IAS 19.64				0		0
Interest on the effect of the asset ceiling				0		0
Income taxes on other comprehensive income			123	587		710
Other comprehensive income, net of taxes			-539	-2'567		-3'106
Total comprehensive income			-539	19'592		19'053
Dividends paid						0
Changes in own shares		188			341	529
Balance 31.03.2017	127	60'901	52	254'842	-4'704	311'218
Balance 01.04.2017	127	60'901	52	254'842	-4'704	311'218
Net income				25'876		25'876
Foreign exchange forwards						
Realized gains (losses) on foreign exchange forwards			-64			-64
Changes in fair value of foreign exchange forwards			45			45
Employee benefits						
Actuarial gains (losses)				4'145		4'145
Limitation of the asset ceiling in accordance with IAS 19.64				0		0
Interest on the effect of the asset ceiling				0		0
Income taxes on other comprehensive income			4	-771		-767
Other comprehensive income, net of taxes			-15	3'374		3'359
Total comprehensive income			-15	29'250		29'235
Dividends paid						0
Changes in own shares		457			187	644
Balance 31.03.2018	127	61'358	37	284'092	-4'517	341'097

Notes to the Group Financial Statements of DOTTIKON ES Group (condensed)

1 SEGMENT REPORTING

DOTTIKON ES Group manufactures high-quality performance chemicals, intermediates and exclusive active pharmaceutical ingredients (APIs) for the world's leading chemical and pharmaceutical industry. DOTTIKON ES Group is specialized in hazardous reactions and is positioning itself as strategic development and manufacturing partner. DOTTIKON ES Group uses its versatile technology and equipment portfolio to design, develop and optimize chemical processes, and scale up from kilograms to multi-tons.

According to IFRS 8 "Operating Segments", the reportable operating segments are determined using the management approach. External segment reporting is thus based on the Group's internal organization and management structure as well as internal financial reporting to the Chief Operating Decision Maker. DOTTIKON ES Group's Chief Operating Decision Maker is the Board of Directors. In addition to its statutory tasks, the Board of Directors is responsible for the strategic focus and management of the Group. Strategic and important operational decisions of DOTTIKON ES Group are taken by the Board of Directors.

DOTTIKON ES Group builds on one single production site with the strategy of performance leadership as specialist for hazardous reactions. Property, plant and equipment, intangible assets, and investments in associated companies are located in Switzerland. DOTTIKON ES Group mainly executes projects with focus on the exclusive synthesis of fine chemicals which are strongly heterogeneous. Therefore, a differentiation in several operating segments is not informative.

The financial reporting to the Board of Directors as Chief Operating Decision Maker is prepared in a single segment. DOTTIKON ES Group allocates resources and assesses their performance on entity level.

The segment reporting is compiled according to IFRS 8.31 ff. as one single reportable segment on entity level. The valuation principles applied for segment reporting purposes are consistent with those applied in the preparation of the Group Financial Statements.

Entity-wide disclosures are as follows:

Net sales by product lines:

CHF thousand/April–March	2016/17	2017/18
Pharma Products	135'170	143'941
Performance Chemicals	12'773	12'140
Recycling & Waste Treatment [^]	3'805	2'150
Net sales	151'748	158'231

[^] Closure of the solvent recycling business for third parties in November 2017

Net sales by regions:

CHF thousand/April–March	2016/17	2017/18
Switzerland	35'945	28'590
Northern Europe	71'121	97'774
Southern Europe and others	9'155	2'817
America	30'814	24'572
Asia	4'713	4'478
Net sales	151'748	158'231

Share of sales by customers:

CHF thousand/April–March	2016/17	2017/18
Customers with more than 10% of net sales [^]	55'072	52'980
Customers with less than 10% of net sales	96'676	105'251
Net sales	151'748	158'231

[^] Reporting year 2017/18: one customer with more than 10% of net sales (previous year: two customers)

2 PERSONNEL EXPENSES

CHF thousand/April-March	2016/17	2017/18
Wages and salaries	51'077	54'766
Employee benefits [^]	-2'819	3'858
Social security	4'307	4'576
Other personnel expenses	745	737
Personnel expenses	53'310	63'937

[^] Previous year: includes a curtailment effect in the amount of CHF 6'056 thousand in accordance with IAS 19 "Employee Benefits" as a result of the reduction of the technical interest rate and the conversion rate combined with an increase in employer and employee savings contributions on equal terms as of January 1, 2017

3 TRADE RECEIVABLES

Trade receivables are value adjusted as follows:

CHF thousand/31.03.	2016/17	2017/18
Trade receivables, gross	43'135	53'993
Individual value adjustments	0	0
Overall value adjustments	-51	-60
Trade receivables, net	43'084	53'933

Trade receivables are allocated to the following currencies:

CHF thousand/31.03.	2016/17	2017/18
CHF	42'389	53'270
EUR	470	349
USD	225	314
Trade receivables, net	43'084	53'933

Trade receivables are allocated to the following regions:

CHF thousand/31.03.	2016/17	2017/18
Switzerland	10'532	4'104
Northern Europe	25'917	43'475
Southern Europe and others	217	57
America	6'401	5'987
Asia	17	310
Trade receivables, net	43'084	53'933

Value adjustments on trade receivables have changed as follows:

CHF thousand	2016/17	2017/18
Individual value adjustments		
Balance 01.04.	0	0
Increase (decrease)	0	0
Balance 31.03.	0	0
Overall value adjustments		
Balance 01.04.	66	51
Increase (decrease)	-15	9
Balance 31.03.	51	60

At the balance sheet date, as in the previous year, there were no individual value adjustments. Furthermore, no loss of receivables had to be recorded in the reporting year 2017/18 and the previous year.

At the balance sheet date, the aging structure of trade receivables which are not subject to individual value adjustments was as follows:

CHF thousand/31.03.	Receivables	Value adjustments	Receivables	Value adjustments
	2016/17	2016/17	2017/18	2017/18
Not yet due	40'550	0	52'243	0
1 to 30 days overdue	2'331	46	1'749	60
31 to 60 days overdue	1	0	1	0
61 to 90 days overdue	253	5	0	0
More than 90 days overdue	0	0	0	0
Total	43'135	51	53'993	60

The receivables which are not due and which are not subject to individual value adjustments are mainly receivables arising from long-standing customer relationships. Based on past experience, DOTTIKON ES Group does not anticipate any significant defaults.

4 INVENTORIES

CHF thousand/31.03.	2016/17	2017/18
Raw materials	8'201	11'078
Supplies [^]	5'036	4'997
Trading goods	169	154
Semi-finished goods	16'699	16'182
Finished goods	15'343	19'732
Inventories	45'448	52'143

[^] Mainly includes precious metals in the form of catalysts for production purposes

Value adjustments deducted from inventory balances amount to CHF 3'621 thousand (previous year: CHF 2'813 thousand).

5 DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Technical plant and machinery	Other property, plant and equipment	Plants under construction	Total
CHF thousand						
Cost						
Balance 01.04.2016	8'699	138'206	316'673	13'762	12'102	489'442
Additions ^A	0	425	11'269	316	23'549	35'559
Disposals	0	-697	-4'694	-509	0	-5'900
Reclassifications	0	3'013	3'005	69	-6'113	-26
Balance 31.03.2017	8'699	140'947	326'253	13'638	29'538	519'075
Balance 01.04.2017	8'699	140'947	326'253	13'638	29'538	519'075
Additions ^A	0	3'271	9'336	767	26'982	40'356
Disposals	0	-1'286	-5'614	-590	0	-7'490
Reclassifications	0	4'434	13'071	121	-17'676	-50
Balance 31.03.2018	8'699	147'366	343'046	13'936	38'844	551'891
Depreciation, accumulated						
Balance 01.04.2016	0	-73'951	-210'498	-10'601	0	-295'050
Additions ^B	0	-6'775	-14'273	-593	0	-21'641
Disposals	0	366	4'272	495	0	5'133
Reclassifications	0	0	0	0	0	0
Balance 31.03.2017	0	-80'360	-220'499	-10'699	0	-311'558
Balance 01.04.2017	0	-80'360	-220'499	-10'699	0	-311'558
Additions	0	-4'000	-11'495	-580	0	-16'075
Disposals	0	1'238	5'395	585	0	7'218
Reclassifications	0	0	0	0	0	0
Balance 31.03.2018	0	-83'122	-226'599	-10'694	0	-320'415
Carrying amounts						
01.04.2016	8'699	64'255	106'175	3'161	12'102	194'392
31.03.2017	8'699	60'587	105'754	2'939	29'538	207'517
31.03.2018	8'699	64'244	116'447	3'242	38'844	231'476

^A Capital expenditure reflects cost of acquired property, plant and equipment (without consideration of cash outflow)

^B Previous year: includes an impairment on rectification plants and infrastructure of CHF 5'639 thousand.
The solvent recycling business for third parties was closed in November 2017

The insurance value of property, plant and equipment amounts to CHF 578'634 thousand (previous year: CHF 555'697 thousand). Capital commitments for property, plant and equipment amount to CHF 37'112 thousand as of March 31, 2018 (previous year: CHF 12'900 thousand). There was no impairment on property, plant and equipment in the reporting year 2017/18 (previous year: impairment of CHF 5'639 thousand on property, plant and equipment as mentioned in footnote B). No interests were capitalized in the reporting and the previous year.

6 DEVELOPMENT OF INTANGIBLE ASSETS

CHF thousand		Software	Total
	Cost		
	Balance 01.04.2016	3'258	3'258
	Additions [^]	42	42
	Disposals	-131	-131
	Reclassifications	26	26
	Balance 31.03.2017	3'195	3'195
	Balance 01.04.2017	3'195	3'195
	Additions [^]	134	134
	Disposals	-210	-210
	Reclassifications	50	50
	Balance 31.03.2018	3'169	3'169
	Amortization, accumulated		
	Balance 01.04.2016	-2'576	-2'576
	Additions	-236	-236
	Disposals	131	131
	Reclassifications	0	0
	Balance 31.03.2017	-2'681	-2'681
	Balance 01.04.2017	-2'681	-2'681
	Additions	-186	-186
	Disposals	210	210
	Reclassifications	0	0
	Balance 31.03.2018	-2'657	-2'657
	Carrying amounts		
	01.04.2016	682	682
	31.03.2017	514	514
	31.03.2018	512	512

[^] Capital expenditure reflects cost of acquired intangible assets (without consideration of cash outflow)

No development costs were capitalized in the reporting year 2017/18 and the previous year since no capitalization criteria were met. Expenses for research and development of CHF 15'850 thousand (previous year: CHF 14'331 thousand) were charged to the income statement. Capital commitments for intangible assets amount to CHF 406 thousand as of March 31, 2018 (previous year: CHF 36 thousand). There was no impairment on intangible assets in the reporting year 2017/18 and the previous year. No interests were capitalized in the reporting and the previous year.

7 PROVISIONS

Environmental provisions for soil rehabilitation (former storage tanks) were recognized and have changed as follows:

CHF thousand	2016/17	2017/18
Balance 01.04.	0	5'605
Additional provisions charged to income	5'605	0
Consumption with neutral impact on income	0	-120
Unused amounts reversed and released to income	0	0
Balance 31.03.	5'605	5'485
thereof current [^]	5'605	500
thereof non-current [^]	0	4'985

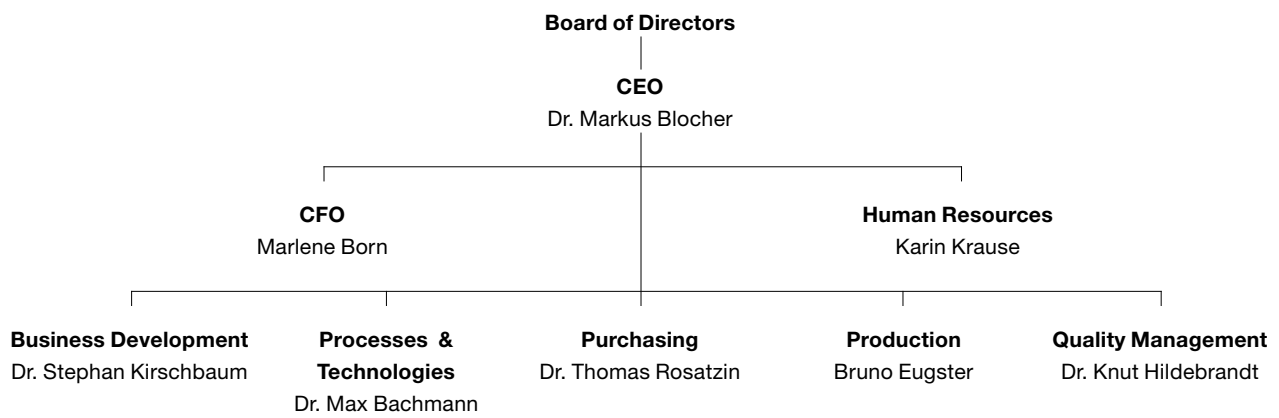
[^] Within the scope of the revised project plan for soil rehabilitation, CHF 4'985 thousand of the current provisions built as of March 31, 2017, were reclassified as non-current provisions

8 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Group Financial Statements were approved for issue by the Board of Directors on May 17, 2018. They are subject to approval by the Annual General Meeting. No significant events have occurred between March 31, 2018, and May 17, 2018, that would require an adjustment of the Group's carrying amounts of assets and liabilities or that would need to be disclosed under this heading.

Corporate Governance

Corporate Governance (condensed)



GROUP STRUCTURE AND SHAREHOLDERS

Group structure

DOTTIKON ES Group manufactures high-quality performance chemicals, intermediates and exclusive active pharmaceutical ingredients (APIs) for the world's leading chemical and pharmaceutical industry. DOTTIKON ES Group is specialized in hazardous reactions and is positioning itself as strategic development and manufacturing partner. DOTTIKON ES Group uses its versatile technology and equipment portfolio to design, develop and optimize chemical processes, and scale up from kilograms to multi-tons.

The operating management structure of the Group is organized by functions according to the illustration on the left.

DOTTIKON ES HOLDING AG, holding company of DOTTIKON ES Group, has its domicile in Dottikon and is listed at the SIX Swiss Exchange (DESN; security number 2073900; ISIN CH0020739006). The share capital amounts to CHF 127'264.40 as of March 31, 2018 (previous year: CHF 127'264.40). The market capitalization as of March 31, 2018, is CHF 875'579'072 (previous year: CHF 831'036'532). As in the previous year, there are no further listed companies in the Group.

DOTTIKON ES HOLDING AG has investments in the following companies

- **DOTTIKON EXCLUSIVE SYNTHESIS AG**
Domicile in Dottikon/share capital CHF 102'000
Investment share of 100 percent/fully consolidated
Branch/purpose: chemicals/process development, manufacturing, and sale of chemical intermediates and active pharmaceutical ingredients
- **DOTTIKON ES MANAGEMENT AG**
Domicile in Dottikon/share capital CHF 100'000
Investment share of 100 percent/fully consolidated
Branch/purpose: chemicals/management of investment companies, as well as review and assessment to evaluate their strategies
- **DOTTIKON ES AMERICA, Inc.**
Domicile in Delaware, USA/share capital CHF 0
Investment share of 100 percent/fully consolidated
Branch/purpose: chemicals/business development, marketing, and consulting services for investment companies
- **SYSTAG, System Technik AG**
Domicile in Rüschnikon/share capital CHF 410'000
Investment share of 47.1 percent/equity method
Branch/purpose: automated process technology/development and manufacturing of integrated solutions for automated chemical process development

Significant shareholders

The following shareholders hold more than 3 percent of the registered share capital:

In % of total share capital of DOTTIKON ES HOLDING AG	31.03.2017	31.03.2018
Markus Blocher, Wollerau [^]	71.7	71.7
Peter Grogg, Hergiswil NW [^]	7.0	7.0
Miriam Baumann, Rheinfelden	5.1	5.1
UBS Fund Management (Switzerland) AG, Basel	4.6	4.4

[^] Holds 54.4% (previous year: 54.4%) through EVOLMA Holding AG, Wollerau

[^] Through Ingro Finanz AG, Bubendorf

Participations of members of the Board of Directors, Senior Management or persons related to them

Members of the Board of Directors and Senior Management as well as their related parties hold the following registered shares of DOTTIKON ES HOLDING AG as of March 31, 2018 (previous year: March 31, 2017):

Participations of the members of the Board of Directors and Senior Management	Number of registered shares 31.03.2017	Number of registered shares 31.03.2018
Markus Blocher [^] Chairman of the Board of Directors CEO/Managing Director	912'705	912'842
Thomas Früh Deputy Chairman of the Board of Directors non-executive	50	50
Alfred Scheidegger Member of the Board of Directors non-executive	5	5
Marlene Born CFO	497	529
Karin Krause [^] Head of Human Resources	–	30
Stephan Kirschbaum Head of Business Development	1'056	1'136
Max Bachmann Head of Processes & Technologies	562	542
Thomas Rosatzin Head of Purchasing	191	241
Bruno Eugster Head of Production	389	370
Knut Hildebrandt Head of Quality Management	392	339
Total members of the Board of Directors and Senior Management	915'847	916'084

[^] Holds 691'733 registered shares (previous year: 691'733 registered shares) through EVOLMA Holding AG, Wollerau

[^] Since April 2017; there were no participation positions to be disclosed as of March 31, 2017

BOARD OF DIRECTORS**MEMBERS OF THE BOARD OF DIRECTORS OF DOTTIKON ES HOLDING AG**

As of March 31, 2018

Name	Nationality	Born	Position	Title	Term of office
Markus Blocher	Swiss	1971	Chairman, executive [^]	Dipl. Chem. ETH, Dr. sc. nat. ETH	2010–2018
Thomas Früh	Swiss	1957	Deputy Chairman, non-executive	Dipl. Chem. ETH, Dr. sc. nat. ETH	2012–2018
Alfred Scheidegger	Swiss	1957	Member, non-executive	Dr. phil. II	2011–2018

[^] CEO/Managing Director**Markus Blocher****Professional background/career**

Since 2012	Chairman of the Board of Directors of DOTTIKON ES HOLDING AG
2010–2012	Member of the Board of Directors of DOTTIKON ES HOLDING AG
Since 2003	CEO of today's DOTTIKON ES Group [^]
2002–2003	Responsible for special projects in the EMS Group
2000–2002	Consultant for McKinsey&Company, Zurich

[^] See Notes "Senior Management"**Other activities and binding interests**

- Chairman of the Board of Directors of EVOLMA Holding AG
- Chairman of the Board of Directors of SYSTAG, System Technik AG
- Chairman of the Board of Directors of frugan Holding AG as well as of its subsidiaries agrofrucht-Inn AG, agrocult AG, and cultivport AG
- President of the foundation board of the pension plan of DOTTIKON ES Group and of the social welfare foundation of DOTTIKON EXCLUSIVE SYNTHESIS AG

Thomas Früh**Professional background/career**

Since 2012	Deputy Chairman of the Board of Directors of DOTTIKON ES HOLDING AG
Since 2012	CEO of Bachem Group and Bachem Holding AG
2001–2012	COO of Bachem AG, Switzerland
1998–2000	COO of Bachem Bioscience, Inc., King of Prussia, Pennsylvania USA
1997–1998	Head of Production Department, Bachem AG, Switzerland
1994–1997	Department Head Crop Protection Research, Ciba, Basel
1990–1994	Project Leader Pharma Research Ciba, Japan

Other activities and binding interests

- Chairman of the Board of Directors of Bachem AG (Switzerland), Bachem Americas, Inc. (USA), and Bachem (UK) Ltd.
- Director of Bachem Distribution Services GmbH (Germany)
- President of the Foundation Board of the foundation SimplyScience
- Board member of the business association science-industries and of Handelskammer beider Basel (HKBB)

Alfred Scheidegger**Professional background/career**

Since 2017	Member of the Senior Management of Nextech Invest AG
Since 2011	Member of the Board of Directors of DOTTIKON ES HOLDING AG
1998–2017	Founder and CEO of Nextech Invest AG
1995–1998	Administrative Director and member of the Board of ETH Zurich
1992–1995	CEO Swiss Scientific Computing Center (CSCS), Manno
1987–1991	Project Leader Ciba-Geigy in Basel and Japan

Other activities and binding interests

- Chairman of the Board of Directors of Nextech Holding AG and Nextech Invest AG
- Member of the Board of Directors of Nextech III GP AG
- Director of Nextech Venture (Principals) Limited, Jersey
- Representative of the partner with unlimited liability of Nextech III Oncology Kommanditgesellschaft für kollektive Kapitalanlagen
- Member of the Board of Directors of Cleave Biosciences, Burlingame, CA, USA
- Member of the Foundation Board of Rising Tide Foundation

The two members of the Board of Directors, Thomas Früh and Alfred Scheidegger, did not have any executive function within the DOTTIKON ES Group in the past three years before the reporting year 2017/18. Neither of them nor any related party had significant business relations with DOTTIKON ES Group in the past years since being elected to the Board of Directors of DOTTIKON ES HOLDING AG.

In the reporting year 2014/15, DOTTIKON EXCLUSIVE SYNTHESIS AG and Bachem AG signed a cooperation agreement for the development, manufacturing, and distribution of amino acids and their derivatives. Despite personnel relations with DOTTIKON EXCLUSIVE SYNTHESIS AG, Bachem AG is not qualified as a related party. To provide higher transparency, the existence of a cooperation agreement is disclosed under this heading.

The composition of the Board of Directors of DOTTIKON EXCLUSIVE SYNTHESIS AG and DOTTIKON ES MANAGEMENT AG is the same as the composition of DOTTIKON ES HOLDING AG.

SENIOR MANAGEMENT

MEMBERS OF THE SENIOR MANAGEMENT OF DOTTIKON ES GROUP

As of March 31, 2018

Name	Nationality	Born	Function	Title	Member since
Markus Blocher	Swiss	1971	CEO/Managing Director	Dipl. Chem. ETH, Dr. sc. nat. ETH	2003
Marlene Born	Swiss	1975	CFO	Eidg. dipl. Expertin in Rechnungslegung/Controlling	2006
Karin Krause ^A	Swiss	1968	Head of Human Resources	MAS Human Resource Management FH	2017
Stephan Kirschbaum	German	1967	Head of Business Development	Dipl. Chem., Dr. rer. nat.	2010
Max Bachmann	Swiss	1954	Head of Processes & Technologies	Dipl. Chem. ETH, Dr. sc. nat. ETH	1999
Thomas Rosatzin	Swiss	1962	Head of Purchasing	Dipl. mikrobiol., Dr. sc. nat. ETH, MBA	2014
Bruno Eugster	Swiss	1955	Head of Production	Chemiker HTL	1997
Knut Hildebrandt	German	1958	Head of Quality Management	Dipl. Chem., Dr. rer. nat.	1999

^A Since April 2017

Markus Blocher

Professional background/career

Since 2003	CEO of today's DOTTIKON ES Group
2002–2003	Responsible for special projects in the EMS Group
2000–2002	Consultant for McKinsey&Company, Zurich
1997–2000	Scientist and doctorate at ETH Zurich

Other activities and binding interests

- Chairman of the Board of Directors of DOTTIKON ES HOLDING AG (see Notes "Board of Directors")
- CEO of DOTTIKON EXCLUSIVE SYNTHESIS AG, DOTTIKON ES HOLDING AG, and DOTTIKON ES MANAGEMENT AG
- Chairman of the Board of Directors of EVOLMA Holding AG
- Chairman of the Board of Directors of SYSTAG, System Technik AG
- Chairman of the Board of Directors of frugan Holding AG as well as of its subsidiaries agrofrucht-Inn AG, agrocult AG, and cultivport AG
- President of the foundation board of the pension plan of DOTTIKON ES Group and of the social welfare foundation of DOTTIKON EXCLUSIVE SYNTHESIS AG

Marlene Born**Professional background/career**

Since 2006	CFO of DOTTIKON ES Group
2005–2006	Controller at DOTTIKON ES Group
2000–2005	Head of Accounting of Migros Verteilzentrum Suhr AG, Suhr
2000	Controller at ABB Normelec, Zurich
1995–2000	Accountant at Treuhandbüro Deragisch, Baden

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG, DOTTIKON ES HOLDING AG, and DOTTIKON ES MANAGEMENT AG
- Member of the foundation board of the pension plan of DOTTIKON ES Group
- Vice president of the social welfare foundation of DOTTIKON EXCLUSIVE SYNTHESIS AG

Karin Krause**Professional background/career**

Since 2015	Head of Human Resources of DOTTIKON ES Group [^]
2011–2015	Head of Human Resources of Senn AG, Oftringen
2005–2011	Head of Financial Accounting and Human Resources, Deputy CFO of Senn AG, Oftringen
2003–2005	Head of Financial Accounting and Human Resources of Wematech AG, Wangenried
1999–2003	Accountant clerk at Amcor Rentsch AG, Rickenbach
1995–1999	Human Resource clerk at Amcor Rentsch AG, Rickenbach

[^] Since April 2017, member of the Senior Management in her current role

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG and DOTTIKON ES MANAGEMENT AG (since April 2017)

Stephan Kirschbaum**Professional background/career**

Since 2009	Head of Business Development of DOTTIKON ES Group
2005–2009	Head of Strategic Projects and Head of Management Support HR&E in Wealth Management & Swiss Bank for UBS AG, Zurich
1999–2005	Consultant and Engagement Manager for McKinsey&Company, Munich DE
1997–1999	Research Scientist at University of California, Santa Barbara USA
1994–1997	Doctorate at University of Karlsruhe DE

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG
- Chairman of the Board of Directors and CEO of DOTTIKON ES AMERICA, Inc.

Max Bachmann**Professional background/career**

Since 2009	Head of Processes & Technologies of DOTTIKON ES Group
2003–2009	Head of Business Development of today's DOTTIKON ES Group
1999–2003	Head of Research & Development of today's DOTTIKON ES Group
1989–1999	Several leading positions at today's DOTTIKON ES Group, lastly Head of Production Facilities

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG and DOTTIKON ES MANAGEMENT AG

Thomas Rosatzin**Professional background/career**

Since 2014	Head of Purchasing of DOTTIKON ES Group
2007–2013	CEO of RohnerChem (Rohner AG), Pratteln
2005–2007	COO of Induchem AG, Volketswil
2001–2005	Head Product Line Management at UNAXIS/ESEC, Steinhausen
1995–2001	Business Unit Manager Paper Processing Chemicals at Dr. W. Kolb AG, Hedingen

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG

Bruno Eugster**Professional background/career**

Since 1999	Head of Production of today's DOTTIKON ES Group
1997–1999	Head of Technical Services of today's DOTTIKON ES Group
1979–1997	Several leading positions at today's DOTTIKON ES Group, lastly Head of Production Facilities

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG
- Member of the Board of Directors of Messer Schweiz AG
- Member of the Board of the Chamber of Aargauische Industrie- und Handelskammer (AIHK), therein president of the section Freiamt
- Expert judge, labor court, canton Aargau, through December 2020

Knut Hildebrandt**Professional background/career**

Since 1999	Head of Quality Management of today's DOTTIKON ES Group
1989–1999	Several leading positions at today's DOTTIKON ES Group, lastly Project Manager Production

Other activities and binding interests

- Member of the Senior Management of DOTTIKON EXCLUSIVE SYNTHESIS AG

Investor Relations

Annual General Meeting for the Business Year 2017/18
July 6, 2018

Issue Half-Year Report 2018/19
November 27, 2018

Issue Annual Report 2018/19
May 28, 2019

Annual General Meeting for the Business Year 2018/19
July 5, 2019

DOTTIKON ES HOLDING AG is listed at the SIX Swiss Exchange.
Symbol: DESN
Security number: 2073900
ISIN: CH0020739006

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Contact
Marlene Born, CFO
investor-relations@dottikon.com

DOTTIKON ES manufactures high-quality performance chemicals, intermediates and exclusive active pharmaceutical ingredients (APIs) for the world's leading chemical and pharmaceutical industry. The company with its production site in Dottikon (Aargau, Switzerland) is specialized in hazardous reactions and is positioning itself as strategic development and manufacturing partner. Its safety culture created over 105 years guides innovative use of hazardous reactions, low-temperature and high-pressure chemistry, as well as continuous processing. This shortens conventional chemical synthesis routes, increases yields, selectivities and purities, and reduces waste. The versatile technology and equipment portfolio is used to design, develop and optimize chemical processes, and scale up from kilograms to multi-tons.

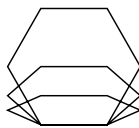
DOTTIKON ES' one-site strategy allows reduced decision and communication pathways. This ensures rapid and efficient project development as well as clear and transparent communication with customers.

DISCLAIMER

Statements on future events or developments, particularly on the estimation of future business, reflect the view of the management of DOTTIKON ES HOLDING AG in the moment of composition. Since these naturally contain uncertainties and risks, they are given without guarantee and any liability is denied. DOTTIKON ES HOLDING AG refuses to actualize any forward-looking statements. The Internet version of these financial statements is exposed to fraudulent manipulation possibilities that are within such a medium, and is therefore without guarantee. The comprehensive Annual Report is available in German. Only the comprehensive German version submitted to the SIX Swiss Exchange is legally binding.

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