

HALF-YEAR FINANCIAL REPORT
AS AT 30/06/2021

FINANCIAL CALENDAR

Date	Publication / event
August 06, 2021	Half-year financial report as at 30/06/2021
November 05, 2021	Report for 3rd quarter 2021
June 24, 2022	Annual General Meeting

These dates and potential updates are also detailed on our website at <https://schweizer.ag/en/investors-media/financial-calendar>.

KEY FIGURES

EUR millions	1st HY 2021	1st HY 2020	Change
Order entry	95.9	15.3	+527%
Revenues	59.4	45.4	+31%
Book-to-Bill Ratio	1.6	0.3	
EBITDA	-5.2	-5.6	+7%
EBITDA Margin (%)	-8.8	-12.4	
EBIT	-10.7	-9.5	-13%
EBIT Margin (%)	-18.1	-21.0	
Result of the period	-11.5	-9.7	-19%
Investments	9.1	21.8	-58%
Cash flow for operating activities	-2.9	-5.6	+48%

EUR millions	30/06/2021	31/12/2020	Change
Open orders	155.4	109.2	+42%
Total assets	194.8	196.7	-1%
Equity	24.7	34.3	-28%
Equity ratio (%)	12.7	17.4	
Net Gearing (%)	269.5	180.8	
Working Capital	10.9	18.4	-41%
Employees	1079	945	+14%

Information of the applied accounting and valuation principles can be found in point 2 of the notes to the consolidated interim financial statement.

All figures are rounded, which can lead to deviations when these are added up.

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THE SHARE

The first half of 2021 on the stock market ended with reasonable price increases. At the end of the first half of the year, the leading German index DAX stood at 15,531 points, 13.2 percent higher than at the end of 2020. The MDAX was just behind at 10.6 percent. The car stocks strongly represented in the DAX made a major contribution to this positive development. After the German automotive industry had long been accused of failing to switch to electromobility, this perception has changed in recent months. Notwithstanding this positive overall development on the markets, concerns about the spread of the Delta variant of the coronavirus and fears over inflation came to the fore at the end of the first half of the year.

The German technology index TecDAX also recorded a positive development in the first half of the year with an increase of 10.9 percent.

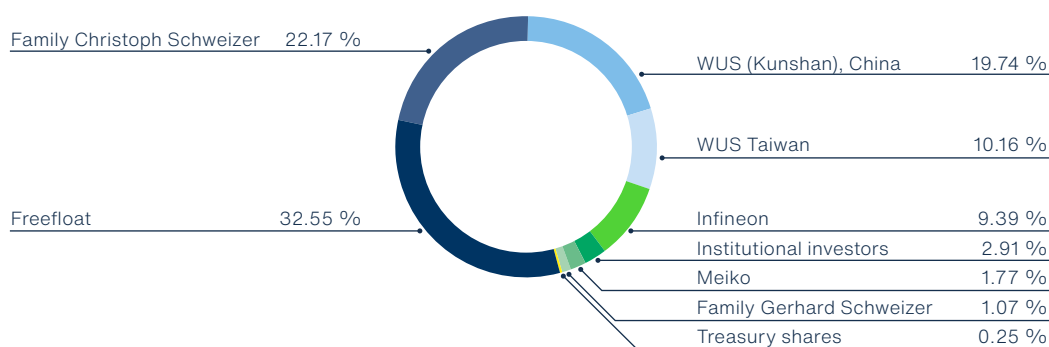
SCHWEIZER SHARE



After starting the new year with a price of EUR 11.75 (Xetra year-end price), Schweizer Electronic AG was able to record an increase of 44 percent by the beginning of February, which corresponds to a price of EUR 16.90. After a brief move sideways, the price fell to EUR 12.80 by mid-March, before shares recovered to EUR 14.90. Although the share had to lose part of this increase in the following weeks, it rose again to a price of EUR 14.40 by mid-May and ended the first half of 2021 at a price of EUR 13.95, which corresponds to an increase of 18.7 percent in the first half of 2021.

SHAREHOLDER STRUCTURE

The shareholder structure of Schweizer Electronic AG was as follows at 30 June 2021:



ANNUAL GENERAL MEETING 2021

On 25 June 2021, the Annual General Meeting took place for the second time as a purely virtual meeting due to the coronavirus-related meeting restrictions.

With a presence of 71 percent of the registered share capital of Schweizer Electronic AG, shareholder votes were once again well represented and therefore corresponded roughly with the presence at the company's physical general meetings.

All resolutions proposed by the Executive Board and Supervisory Board were greeted with a high level of approval by the shareholders. The detailed voting results are available online at <https://schweizer.ag/en/investors-media/annual-shareholders-meeting>.

SHARE DATA

	30/06/2021	30/06/2020
Share price (daily closing price) ¹	EUR 13.95	EUR 11.60
Period high	EUR 16.90	EUR 17.50
Period low	EUR 11.95	EUR 8.66
Market capitalisation at 30/06	EUR 52.7 million	EUR 43.9 million

¹ (Xetra trade)

BASIC SHARE DATA

ISIN	DE0005156236
WKN	515623
Symbol	SCE
Stock market segment	Regulated market (General Standard)
Type of shares	Registered shares with no par value
No. of shares	3,780,000
Share capital	9,664,054 EUR

GROUP INTERIM STATUS REPORT

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ECONOMIC REPORT

ECONOMIC DEVELOPMENTS IN THE FIRST SIX MONTHS OF 2021

The global economy once again showed significant growth rates in industrial production and global trade. In the first quarter of the year, global production increased at a seasonally adjusted rate of 0.8 percent compared to the previous quarter. This roughly corresponds to the average growth in the years before the crisis triggered by the Covid-19 pandemic. The high number of infections in the spring and the associated restrictions were mainly apparent in the service sectors. The global development of economic output varied from region to region. While growth in gross domestic product in China fell significantly, expansion in the rest of Asia remained at a high level. A slight increase was seen in the USA. By contrast, economic output fell in Japan, England and the European Union, where it was -0.3 percent. Germany also experienced noticeable losses in production output. The increase in industrial production and global trade was recently slowed down by supply bottlenecks in raw materials and primary products and as a result of logistical problems in the transport chains, particularly in maritime transport. In addition to the increasing scarcity of raw materials and primary products, the delivery times of producers have also been significantly extended. Due to the resulting buffering strategies, the supply-demand ratio shifted in favour of raw material and primary product suppliers as well as carriers. The reduced supply is also reflected in a significant increase in goods prices and freight rates across the board. This also affected the base materials and metals used in the PCB industry. The resource shortages are likely to have led to a recent flattening of the expansion rate in the first quarter of the year following a noticeable increase in the global economy.

Despite the backlog from 2020 and positive consumer sentiment, the supply difficulties of semiconductor components also slowed down the production volume of automotive manufacturers. Although according to VDA surveys, the number of new registrations between January and May 2021 increased by 13 percent compared to the same period in the previous year, the shortage of electronic components slowed down production. The German premium manufacturers were particularly affected here, which at times reintroduced short-time work due to supply hold-ups on the production lines. Due to the relatively high model weighting of electric cars and vehicles in the premium segment, the use of semiconductors is above average in Germany.

(Sources: IfW Kiel, Verband der Automobilindustrie (German Association of the Automotive Industry), dpa-infocom)

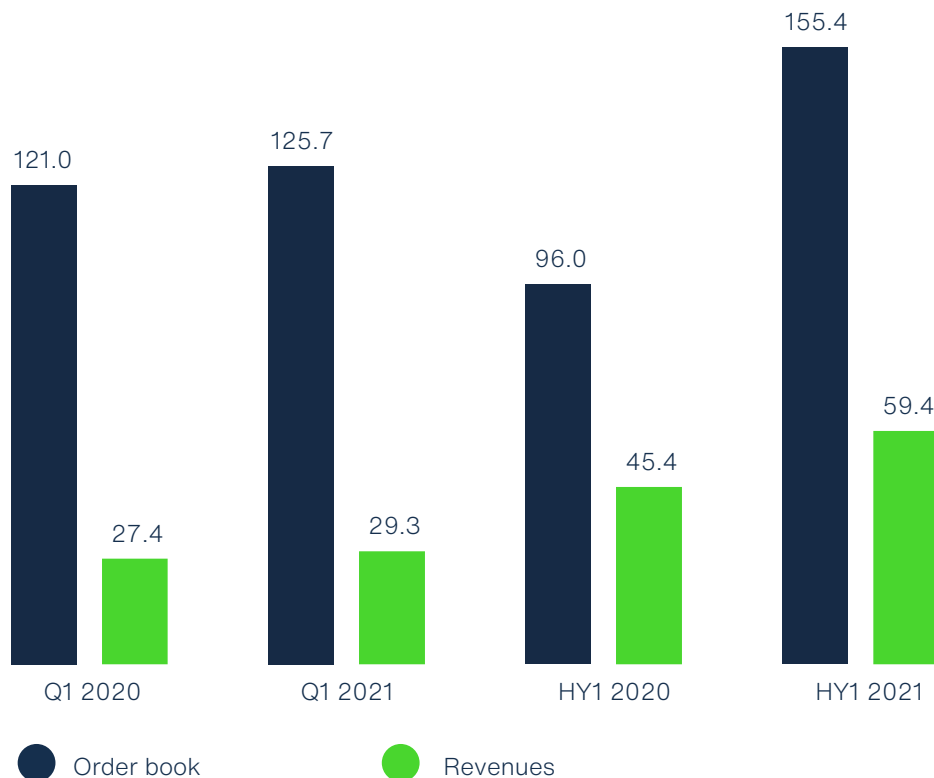
BUSINESS DEVELOPMENT

INCOMING ORDERS AND OPEN ORDERS ROSE SHARPLY COMPARED WITH THE PREVIOUS YEAR'S HALF-YEAR

Incoming orders in the first half of 2021 increased sixfold compared to the volume of the first two quarters of the previous year and amounted to EUR 95.9 million (first half of 2020: EUR 15.3 million). Compared to the first half of 2019 (EUR 30.3 million), the level of incoming orders this year is also significantly higher. The momentum in orders, which has already emerged since October of the previous year, has continued unabated over the course of the first two quarters, with incoming orders in the second quarter increasing again by +16.8 percent compared to the previous quarter of the year. Incoming orders for PCBs produced in-house rose in the first half of the year by +449.0 percent compared to the first half of the previous year. For the PCBs procured from our strategic trading partners, a tenfold increase in incoming orders was recorded. As a result of the Covid-19 pandemic, the first half of 2020 was marked by numerous cancellations or postponements of orders from our customers in the automotive sector. At the end of the first half of 2021, the order book amounted to EUR 155.4 million (31/12/2020: EUR 109.2 million). Of this, an order book of EUR 59.7 million is due for delivery in the second half of 2021 (31/12/2020: EUR 80.5 million for 2021). The order book for 2022 and subsequent years amounted to EUR 95.7 million as at 30/06/2021.

Order book and sales

in EUR millions



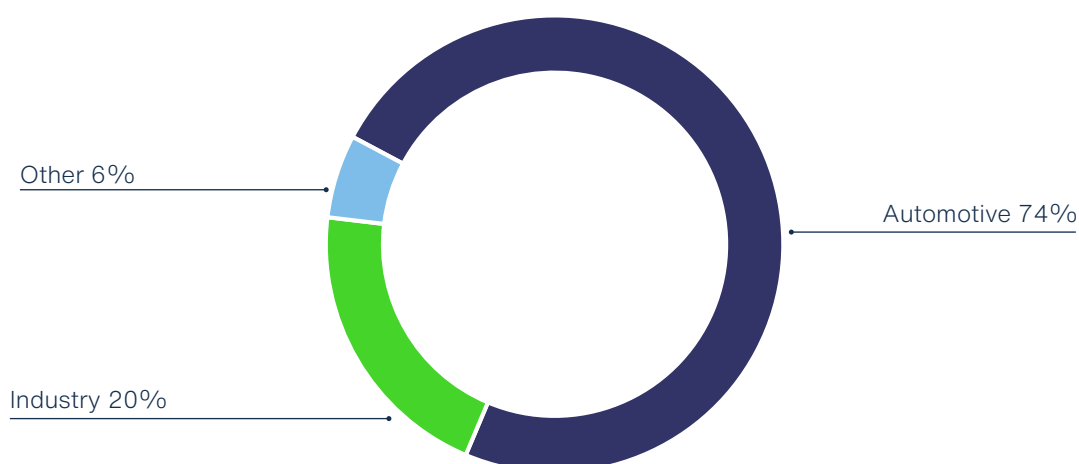
SALES UP 30.9 PERCENT IN THE FIRST SIX MONTHS

Revenues amounted to EUR 59.4 million in the first half of the year (first half of 2020: EUR 45.4 million). This corresponds to an increase of +30.9 percent compared to the first half of the previous year, which was already heavily influenced by the effects of the Covid-19 pandemic. The plant in Schramberg and the new plant in China generated revenue from in-house production of EUR 42.9 million, which corresponds to an increase of +31.7 percent compared to the first half of the previous year. Sales of products via our Asian partner network rose by +28.9 percent to EUR 16.5 million compared to the same quarter last year. The share of sales from own production increased slightly to 72.2 percent (first half of 2020: 71.8 percent).

Automotive industry customers generated EUR 43.7 million (first half of 2020: EUR 30.9 million), which corresponds to an increase of 41.4 percent compared to the first half of the previous year. Sales to industrial customers and other customers rose by +8.4 percent compared to the same period in the previous year to EUR 15.7 million. Automotive customers represented 73.6 percent of sales in the first half of the year (first half of 2020: 68.1 percent), while industrial customers accounted for 20.5 percent of sales (first half of 2020: 21.6 percent), while other customers accounted for 5.9 percent (first half of 2020: 10.3 percent).

Sales by customer group

in EUR millions

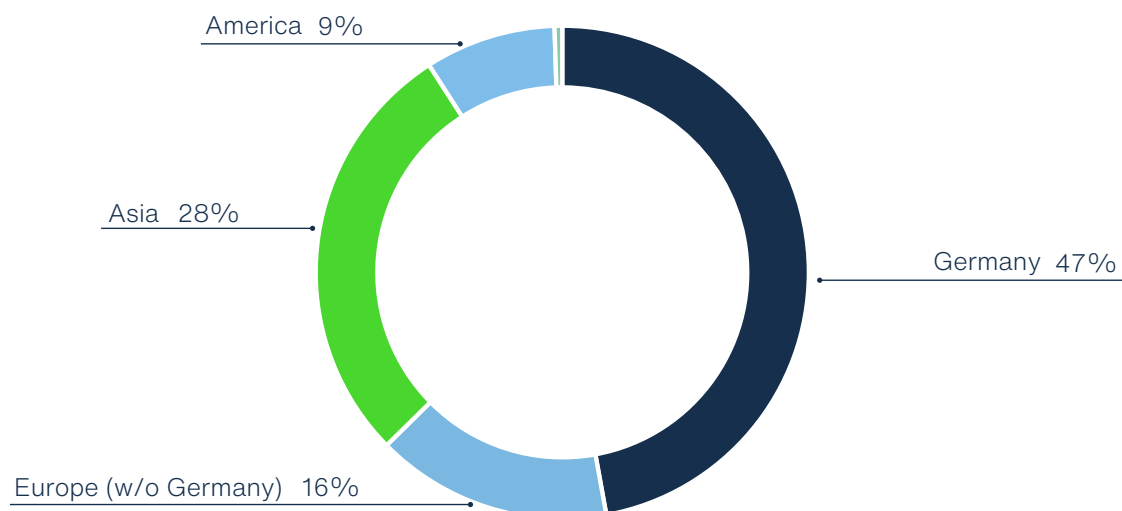


	2021	2020
Automotive	43.7	30.9
Industry	12.2	9.8
Other	3.5	4.7
	59.4	45.4

With the exception of sales in Europe (excluding Germany), there were significant increases in turnover for all other sales regions compared with the first half of the previous year. While sales in the Europe region (excluding Germany) fell by -20.7 percent, sales in Germany increased by +13.3 percent. The strongest growth was achieved in sales in Asian countries at a rate of +177.6 percent, followed by sales increases in exports to America at +82.8 percent and sales growth in other export countries at +32.5 percent. 62.7 percent of sales are attributable to Germany and Europe (first half of 2020: 80.1 percent), 28.3 percent to Asia (first half of 2020: 13.3 percent) and 9.0 percent to America / Other countries (first half of 2020: 6.6 percent). Overall, the share of sales in the market regions outside Germany increased from 45.6 percent in the first half of 2020 to 52.9 percent.

Sales by region

in EUR millions



	2021	2020
Germany	28.0	24.7
Europe (w/o Germany)	9.2	11.6
Asia	16.8	6.1
America	5.1	2.8
Other	0.3	0.2
	59.4	45.4

PROFITABILITY AT THE SCHRAMBERG SITE INCREASED SIGNIFICANTLY

Gross profit amounted to EUR -2.5 million in the first half of the year (first half of 2020: EUR -0.6 million), which corresponds to a negative gross margin of -4.2 percent (first half of 2020: -1.3 percent). Compared to the first half of the previous year, the increased construction costs of the production of the plant in China had an impact with an increase in the gross profit loss by EUR -5.5 million to EUR -8.1 million. In particular due to the sharp increase in costs for supply materials and the reject rates typical in the start-up phase, the sales generated did not yet generate any significant fixed cost coverage. The Group's gross profit excluding China amounted to EUR +5.6 million, which led to an increase in gross profit of EUR +3.6 million compared to the first half of the previous year. In addition to the increase in sales, the cost reduction measures implemented in the previous year and the good capacity utilisation at the Schramberg site made a decisive contribution to this development. Due to the good capacity utilisation, no short-time work was carried out at the Schramberg site in the first half of the year. At EUR 1.7 million, other operating income was at the same level as in the first half of the previous year (EUR +1.7 million). The functional costs of sales and administration as well as operating expenses fell overall by +EUR 0.7 million compared to the first half of the previous year, corresponding to -6.8 percent. Adjusted for special expenses in the amount of EUR -1.1 million from restructuring and impairment on receivables, which were incurred in the first half of the previous year, this would result in a cost increase of EUR -0.4 million. In the first half of the previous year, savings from short-time work had a major impact on production and administration.

Earnings before depreciation, interest and taxes (EBITDA) amounted to EUR -5.2 million (first half of 2020: EUR -5.6 million). The EBITDA ratio improved compared to the previous year to -8.8 percent (first half of 2020: -12.4 percent). The Group excluding China achieved EBITDA of EUR +3.9 million. This corresponds to an operating profit improvement of EUR +5.3 million, excluding special expenses of EUR 1.1 million, which weighed on earnings in the first quarter of the previous year. The operating result (EBIT) totalled EUR -10.7 million (first half of 2020: EUR -9.5 million) and was therefore EUR -1.2 million lower than in the first half of the previous year. Depreciation amounted to EUR -5.5 million (first half of 2020: EUR -3.9 million). This is due to the fact that the entirety of the plant's operational systems and machines in China reached operational readiness primarily in the second half of 2020 and therefore only the associated start of depreciation was triggered. The Group excluding China achieved a positive EBIT contribution of EUR +0.7 million in the first half of the year. Excluding special expenses of EUR 1.1 million in the first half of the previous year, this increased by EUR +5.2 million.

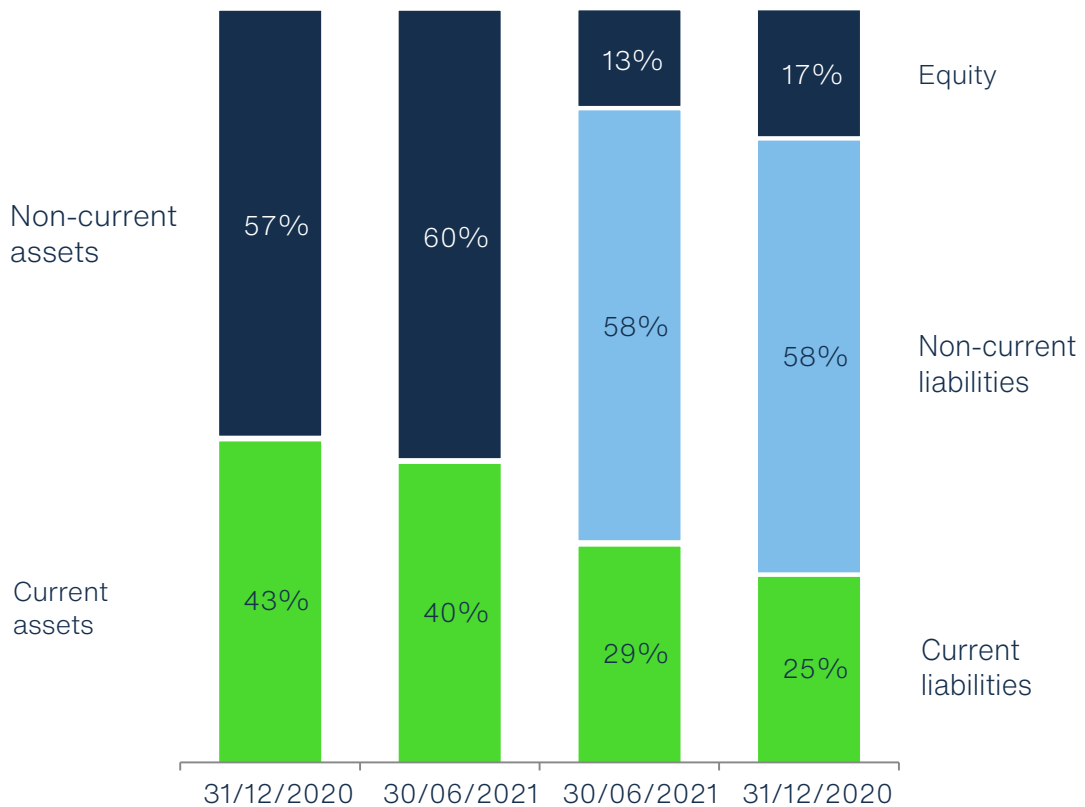
Compared to the first half of the previous year, Group net income fell by EUR -1.8 million to EUR -11.5 million. Taxes on income include the tax levied on the plant in China on the grants received for the acquisition of land in 2018 and grants for plant and machinery investments. Of this amount, EUR 1.8 million was cash. In return, a temporary difference between the carrying amount and the tax base resulted in the capitalisation of deferred taxes in the amount of EUR +2.8 million.

DEBT RATIO INCREASED AS A RESULT OF PLANNED INVESTMENTS AND EXPECTED START-UP COSTS IN CHINA

Compared to the situation at year-end, total assets decreased by EUR -1.9 million to EUR 194.8 million. Non-current assets increased by EUR +4.7 million to EUR 116.2 million. The main causes were the increase in deferred tax assets by EUR +2.8 million and the increase in rights of use in accordance with IFRS 16 by EUR +4.1 million as a result of the leasing financing of a large plant at the Schramberg site. The carrying amount of tangible and intangible assets decreased by EUR -3.0 million to EUR 97.9 million. The planned capital expenditures to expand production at the China site and the capital expenditures at the Schramberg site amounted to EUR 9.1 million (31/12/2020: EUR 22.5 million).

Compared to the situation at year-end, assets in the short term decreased by EUR -6.6 million to EUR 78.5 million. This was due to the decline in trade receivables of EUR -3.6 million to EUR 16.2 million and the reduction in other assets of EUR -8.8 million to EUR 14.4 million. The decline in other assets resulted primarily from the grants received from the state authorities in China in the first half of the year. In return, inventories increased by EUR +4.9 million to EUR 14.2 million. Cash and cash equivalents at the end of the first half of the financial year amounted to EUR 24.4 million (31/12/2020: EUR 23.0 million).

Equity decreased mainly due to the negative Group net income to EUR 24.7 million (31/12/2020: EUR 34.3 million). Other income had a positive effect with a contribution of EUR +2.0 million. The equity ratio fell by -4.7 percentage points to 12.7 percent. Non-current financial liabilities decreased overall by EUR -1.0 million to EUR 79.4 million. Due to their maturity at 31 December 2020, the loans valued at EUR 3.6 million from the KfW special loan were allocated on 30 June 2022 to current financial liabilities. Overall, financial liabilities rose by EUR +6.0 million as a result of the planned use of investment loans in China and the inclusion of the second tranche of the KfW special loan. The net debt is around 270 percent (31/12/2020: approx. 181 percent). Trade payables decreased by EUR -4.4 million to EUR 32.0 million (31/12/2020: EUR 36.3 million). Current other liabilities increased by EUR +1.6 million to EUR 5.2 million).

Balance sheet structure

Cash flow from operating activities amounted to EUR -2.9 million in the first half of the year and improved by EUR +2.7 million in the first half of the previous year (first half of 2020: EUR -5.6 million). In addition to the EUR +0.4 million higher EBITDA, the capital release from working capital of EUR +7.5 million, in particular due to the reduction in trade receivables and other assets, had an impact. The total cash investments amounted to EUR 16.8 million. These mainly concerned the cash acquisition of tangible and intangible assets for the production site in China. This investment sum was increased by public grants of EUR 11.9 million (first half of 2020: EUR +2.3 million). Furthermore, a sales-and-leaseback transaction resulted in a cash inflow of EUR 4.9 million. Overall, cash flow from investing activities was netted off at EUR +0.0 million. In the first half of the year, remaining funds of EUR 3.5 million were drawn from KfW's special programme and further funds of EUR 4.2 million were drawn from the long-term loan commitments of the local consortium of domestic banks in China. This was offset by disbursements from repayments and interest payments of EUR 3.7 million, so that the cash flow from financing activities amounted to EUR +4.0 million (first half of 2020: EUR +3.1 million). In total, the exchange rate-adjusted change in the cash and cash equivalents amounted to EUR +1.5 million (first half of 2020: EUR -12.6 million).

FORECAST REPORT

The first half of 2021 was characterised by significant economic growth in almost all regions of the world. The impact of the pandemic remained largely limited to the service sector, which was affected by continued contact restrictions.

A very strong expansion of the global economy is expected for the second half of the year. Thanks to the progress of vaccinations, an increasing normalisation across all economic sectors can be expected during this period. Global gross domestic product is expected to grow by +6.7 percent in 2021, after a decline of -3.2 percent in the previous year. The European Union is only expected to grow at a disproportionately low rate in the current year with an increase of +5.2 percent, whereas the decline in gross domestic product in the European Union was disproportionately high at -6.2 percent in 2020. This also applies to Germany, for which growth in gross domestic product of +3.9 percent is forecast by the end of the year. This means that the previous year's decline of -5.1 percent can in all probability not be made up for. This means that a significantly below-average recovery is expected for Germany for the current year, even in a European comparison. All economic regions of the world performed better than the European Union in the 2-year comparison, with the exception of Japan, where only low growth of +2.7 percent is expected for 2021, compared to -4.7 percent in the previous year. The Chinese economy is expanding only moderately. This is due in particular to the fact that China has already reached the pre-crisis level again in the course of 2020. Nevertheless, growth of +8.7 percent is expected for China for the year as a whole.

The macroeconomic forecast will heavily depend on the further development of the pandemic in connection with additional virus variants, which could lead to increasing incidences again and thus to new infection protection measures. The bottlenecks in components and raw materials could also have a negative impact on overall economic growth.

Following the sharp decline in sales figures for automobiles worldwide in 2020, a significant increase in sales of vehicles up to 6 tonnes is expected for 2021 by around +12 percent to 84 to 88 million units. The USA and China are expected to return to the same level as in 2019 or even exceed it. For Europe, on the other hand, growth of around +9 percent is expected. However, the sales level of 2019 cannot be achieved significantly (-14.5 percent). For Germany, growth of +3 percent in car production compared to 2020 is still expected, which corresponds to +3.6 million vehicles.

The development of automotive production has so far been influenced by the shortage of components in 2021. At present, it is not clear when the bottlenecks on the goods markets will normalise and thus enable a stronger economic upturn in Germany as well.

(Sources: IfW Kiel, LBBW Research, VDA Forecast)

SALES FORECAST

We continue to expect growth of +20 to +30 percent for the current financial year, corresponding to EUR 120 to 130 million.

In this way, we forecast a significant surpassing of the general market growth and gaining of new market shares, particularly among automotive customers. The trends that are important for SCHWEIZER, such as electrification and hybridisation of the vehicle drive, have become even stronger due to the ongoing Covid-19 pandemic. Promoted by government support programmes, the market shares of battery electric and plug-in hybrid vehicles have increased significantly. Private transport has become increasingly important. In addition to the automotive segment, electronics-intensive topics such as home office or home entertainment also experienced an upturn, boosted by the pandemic.

The majority of SCHWEIZER's sales growth is to be achieved by the plant in China. Successful audits – in particular the IATF 16949 and ISO 14001 certifications, which are of the utmost importance for international automotive customers – and the increasing control of more complex PCB technologies have created the possibility that the plant in China will be able to make a significant contribution to group sales in the future. In the second half of the year, we also expect an increase in sales at the Schramberg site, which will be significantly higher than the market growth of the European automotive industry. As a result, we are expected to achieve our goal and gain additional market share in both the mobility segment and non-mobility customers.

RESULTS FORECAST

In EBITDA, we expect the Group to have a ratio of -5 to -10 percent. This is below our previous forecast of between 0 and -6 percent. Two factors are essential for this correction.

Firstly, the prices for raw materials and supplies are rising above plan. These increases are often in the clear 2-digit percentage range compared to the previous year. Due to price fixing with our end customers, it is often only possible to pass on these cost increases in full and in a timely manner. This effect has a particular impact on the plant in China. Due to the comparatively low complexity of the product portfolio and thus the relatively low own added value, cost increases in the materials sector have a particularly strong impact on the profit margin.

Secondly, the ongoing strict travel restrictions to China are hampering the timing of technology transfer and qualification of the plant by major international customers. As a result, start-up losses in China – coupled with the material price increases mentioned – are at a higher level than planned.

FINANCIAL SITUATION AND LIQUIDITY

The start-up losses in China and the ongoing investment programme are expected to impact upon the balance sheet figures in 2021. The investments are mainly financed by debt capital. Sufficient credit and leasing lines are available from our Chinese and German banks for this purpose. Based on current expectations, we can confirm the previous forecast for the equity ratio and expect this to continue to be between 10 and 15 percent. The implementation of capital measures to improve equity capital is currently being examined.

Due to the planned additional borrowings, the net gearing ratio is expected to increase significantly.

In line with our original forecast, we continue to expect working capital to expand in line with the volume of business.

Despite the ongoing investment programme and the operational losses, the Group's liquidity remains high. The operating material lines are not used or only used very briefly. In China, negotiations are currently underway to grant so-called working capital loans. On this basis, we do not expect any liquidity bottlenecks in the Group until the end of the financial year.

OPPORTUNITIES AND RISKS REPORT

With regard to opportunities and risks, please refer to our comments in the Annual Report from page 62 onwards.

The situation described there has not changed significantly.

GENERAL STATEMENT

Despite the uncertain pandemic situation, the macro-economic environment continues to improve. Our most important customer group, Automotive, shows a very differentiated picture. While the USA and China are booming, the recovery in Europe is still hesitant. For SCHWEIZER, this means consistently driving forward the globalisation and expansion of the customer base. SCHWEIZER solutions aim to meet customers' challenges, particularly with regard to e-mobility and sensor technology.

Following the successful turnaround at the Schramberg site, the focus is now on enabling the Chinese plant for more sophisticated technologies and the associated process stability in production. Achieving the break-even point in China and thus also in the Group is the key target figure for improving profitability and balance sheet ratios step by step. The investment programmes, both in China and in Germany, must be aligned with liquidity requirements in terms of repayment of the loans, without jeopardising growth in China and maintaining the technological advantage in Germany.

Schramberg, 29 July 2021

Schweizer Electronic AG

The Executive Board



(N. F. Schweizer)



(M. Bunz)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

			01/01 - 30/06/2021	01/01 - 30/06/2020
	No. in the notes		EUR thousands	EUR thousands
Sales revenue	3.1		59,368	45,356
Cost of sales Cost of goods and services provided to generate sales			-61,859	-45,927
Gross profit			-2,491	-571
Distribution costs			-2,491	-2,514
Administration expenses			-6,675	-7,173
Other operating income	3.2		1,703	1,717
Other operating expenses	3.3		-770	-974
Operating results			-10,724	-9,515
Financial income	3.4		21	31
Financial expenses	3.5		-1,740	-582
Earnings before taxes on income and revenue			-12,443	-10,066
Taxes on income and revenue	3.7		913	374
Consolidated result			-11,530	-9,692
Of which attributable to:				
Shareholders of the parent company			-11,529	-9,695
Non-controlling interests			-1	4
Earning per share	3.8			
Basic (=diluted) shareholding	Units		3,770,713	3,769,912
Basic, based on the profit attributable to holders of ordinary shares of the parent company	EUR		-3.06	-2.57

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

		01/01 - 30/06/2021	01/01 - 30/06/2020
	No. in the notes	EUR thousands	EUR thousands
Consolidated result		-11,530	-9,692
Other income			
Other income to be reclassified to profit or loss in subsequent periods (after taxes):		842	-814
Currency translation of foreign operations	2	842	-814
Other income not to be reclassified to profit or loss in subsequent periods (after taxes):		1,083	-280
Gains / (losses) on the revaluation of defined benefit pension plans	4.5	1,528	0
Gains / (losses) on assets measured at fair value recognised directly in equity	4.9	0	-280
Tax of profits		-445	0
Other results after tax		1,925	-1,094
Overall result after taxes		-9,605	-10,786
Of which attributable to:			
Shareholders of the parent company		-9,605	-10,786
Non-controlling interests		0	0

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021

		30/06/2021	31/12/2020
	No. in the notes	EUR thousands	EUR thousands
ASSETS			
Non-current assets		116,216	111,557
Tangible assets	4.1	96,504	99,365
Intangible assets	4.1	1,408	1,524
Other participating interests		12	12
Other financial assets	4.2	5	5
Other assets	4.2	701	0
Deferred tax assets	3.7	7,768	4,965
Right of use pursuant to IFRS 16	4.1	9,818	5,686
Short-term assets		78,536	85,121
Inventories		14,188	9,322
Trade receivables		16,154	19,795
Contract assets		8,352	8,315
Tax receivables		4	4
Other financial assets	4.2	991	1,476
Other assets	4.2	14,416	23,236
Cash and cash equivalents		24,431	22,973
Total assets		194,752	196,678
EQUITY AND LIABILITIES			
Equity		24,668	34,274
Subscribed capital		9,664	9,664
Own shares		-24	-24
Capital reserves		21,795	21,795
Profit reserves		-6,858	2,748
Equity attributable to shareholders of the parent company		24,577	34,183
Non-controlling interests		91	91
Non-current liabilities		114,339	112,984
Financial liabilities	4.3	79,380	80,333
Other financial liabilities	4.4	7,587	4,093
Provision for defined benefit pension plans	4.5	21,856	23,636
Other liabilities	4.7	577	0
Other provisions	4.6	4,078	4,334
Deferred tax liabilities		861	588
Current liabilities		55,745	49,420
Financial liabilities	4.3	11,521	4,615
Other financial liabilities	4.4	1,802	972
Provision for defined benefit pension plans	4.5	908	908
Trade payables	4.7	31,969	36,323
Other liabilities	4.7	5,220	3,588
Tax liabilities		114	179
Other provisions	4.6	4,211	2,835
Total liabilities		170,084	162,404
Total equity and liabilities		194,752	196,678

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

	No. in the notes	01/01 - 30/06/2021 EUR thousands	01/01 - 30/06/2020 EUR thousands
Operating activities			
Earnings before tax		-12,443	-10,066
Adjustment to reconcile earnings before taxes to net cash flows:			
Financial income	3.4	-21	-31
Financial expenses	3.5	1,740	582
Amortisation and impairment of tangible and intangible assets		5,483	3,901
Other non-cash income / expenses		-764	928
Gains (-) / losses (+) from the disposal of property, plant and equipment and other non-current assets		0	2
Changes in the provision for defined benefit pension plans (without changes recognised directly in equity)	4.5	-252	-220
Changes in other provisions	4.6	1,120	-97
Payments received from government grants		108	0
Changes in trade receivables and other assets		12,245	5,280
Change in inventories		-4,866	-1,655
Changes in trade and other payables	4.7	-3,402	-4,927
Interest received		-21	-31
Paid / refund taxes on income and revenue	3.7	-1,847	727
Cash flow from operating activities		-2,920	-5,606
Investment activities			
Proceeds from the sale of tangible assets	4.1	4,865	0
Payments to acquire tangible assets and intangible assets		-16,756	-12,275
Payments received from government grants	4.8	11,900	2,261
Proceeds from disposals of investments		0	343
Cash flow from investing activities		8	-9,670
Financing activities			
Incoming payments from the take-up of loans	4.3	7,735	5,570
Payments from the repayment of loans	4.3	-1,781	-1,281
Payments from finance leases liabilities	4.4	-207	242
Interest paid		-1,740	-1,436
Cash flow from financing activities		4,007	3,095
Net change in cash and cash equivalents		1,096	-12,181
Changes in cash and cash equivalents owing to exchange rates		362	-390
Cash and cash equivalents as at 1 January		22,973	34,353
Cash and cash equivalents as at 30 June		24,431	21,782

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousands	Subscribed capital	Own shares	Capital reserve	Profit reserves
As of 1 January 2020	9,664	-24	21,795	23,693
Consolidated result				-9,692
Other income				-1,094
Overall result	0	0	0	-10,786
Change in minority interests				
Change in own shares				
Long-Term Incentives				
Dividend payment				
Allocation to reserves				
Other changes				19
As of 30 June 2020	9,664	-24	21,795	12,926
As of 1 January 2021	9,664	-24	21,795	2,748
Consolidated result				-11,530
Other income				1,925
Overall result	0	0	0	-9,605
Change in minority interests				
Change in own shares				
Long-Term Incentives				
Dividend payment				
Allocation to reserves				
Other changes				
As of 30 June 2021	9,664	-24	21,795	-6,858

included in profit reserves:

	Actuarial losses, pension commitment	Change in the value of financial assets available for sales	Currency translation difference	Consolidated result (attributable to share- holders of SEAG)	Equity attributable to shareholders of the parent company	Minority interests	Equity
	-5,618	554	1,072	-19,724	55,128	73	55,202
				-9,695	-9,695	3	-9,692
		-280	-811		-1,091	-3	-1,094
	0	-280	-811	-9,695	-10,786	0	-10,786
		-274			19		19
	-5,618	0	261	-29,418	44,362	73	44,435
	-6,504	274	-830	-37,601	34,183	91	34,274
				-11,530	-11,530		-11,530
	1,083		842		1,925		1,925
	1,083	0	842	-11,530	-9,605	0	-9,605
	-5,421	274	12	-49,130	24,577	91	24,668

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. PRINCIPLES UNDERLYING THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Information on the company

The parent company of the SCHWEIZER Group is Schweizer Electronic AG (hereinafter referred to as „the company“ or „SCHWEIZER“). SCHWEIZER's registered office is located at Einsteinstrasse 10, 78713 Schramberg, Germany. The company is entered in the commercial register at the District Court of Stuttgart under commercial register number HRB 480540. Schweizer Electronic AG has been listed on the stock exchange in the regulated market segment since 5 July 1989. The shares (ISIN DE0005156236) are listed in Frankfurt and Stuttgart.

The condensed consolidated interim financial statements of the SCHWEIZER Group for the first six months of 2021 were prepared and approved for publication by the Executive Board on 29 July 2021.

Basis of preparation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements were prepared in accordance with the regulations of the International Financial Reporting Standards (IFRS), including the interpretations of the IFRS Interpretations Committee (IFRIC), which were adopted into European law by the EU Commission and are applicable as of the balance sheet date.

In accordance with IAS 34 „Interim financial reporting“, the condensed consolidated interim financial statements do not contain all the information and disclosures required for consolidated financial statements at the end of the financial year and should therefore be read in conjunction with the consolidated financial statements as of 31 December 2020.

Our business activities are subject to the influence of seasonal fluctuations. The results of the interim reporting periods can therefore only be used as an indicator for the results of the entire financial year to a limited extent.

The uncertainties caused by the coronavirus pandemic also influence these consolidated interim financial statements. The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates and assumptions. These have an impact on the disclosure of assets and liabilities, the disclosures on contingent assets and liabilities as of the balance sheet date and the disclosure of income and expenses for the reporting period. Actual amounts may differ materially from management's estimates. Changes in assumptions and estimates may have a material impact on the condensed consolidated interim financial statements. The coronavirus pandemic and the associated significant uncertainties were taken into account in estimates and discretionary decisions, where relevant.

The condensed consolidated financial statements are prepared in the reporting currency (EUR), which is the functional currency of Schweizer Electronic AG. Unless otherwise specified, all values

are rounded up or down to the nearest EUR thousand in accordance with commercial rounding practices, which can lead to minor deviations when these are added up.

These consolidated interim financial statements have been reviewed by an auditor within the meaning of Section 115 (5) WpHG [German Securities Trading Act].

2. SUMMARY OF MATERIAL ACCOUNTING PRINCIPLES

Scope of consolidation

In addition to Schweizer Electronic AG as parent company, the consolidated group is comprised as follows:

Number of fully consolidated companies	31 December 2020	Included for the first time in financial year 2021	Eliminated in financial year 2021	30 June 2021
National	1	0	0	1
International	4	0	0	4
Total	5	0	0	5

In the first half of 2021, there were no changes to the consolidated companies of the SCHWEIZER Group.

Currency translation

For the translation of important currencies within the Group, the following exchange rates against the EUR were used as a basis:

Exchange rates	Year-end rate		Average rate	
EUR	30 June 2021	31 December 2020	1st HY 2021	1st HY 2020
USD USA	1.1884	1.2271	1.2057	1.1015
CNY China	7.6742	8.0225	7.7980	7.7481
SGD Singapur	1.5976	1.6218	1.6061	1.5409

Accounting and valuation principles

With the exception of the accounting standards to be applied for the first time as of 1 January, the accounting and valuation principles applied in the condensed interim financial statements correspond to the accounting standards applied in the consolidated financial statements for financial year 2020, which were described in detail from page 118 of the 2020 Annual Report. The new standards described therein, which must be applied for the first time as of 1 January 2021, did not have any significant effects on the net assets, financial position and results of operations.

3. NOTES TO THE CONSOLIDATED INTERIM INCOME STATEMENT

3.1 Sales revenue

Sales revenue is divided as follows:

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR millions	EUR millions
By field of activity		
Metallised circuits	12.1	5.3
Non-metallised circuits	4.4	2.5
Multilayer / HDI	41.7	36.4
Other	1.2	1.2
	59.4	45.4
By region		
National	28.0	24.5
Europe (excl. Germany)	9.2	9.8
America	5.1	4.8
Asia	16.8	6.1
Other countries	0.3	0.2
	59.4	45.4

The sales revenue is broken down by customer location.

3.2 Other operating income

Other operating income is comprised as follows:

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR thousands	EUR thousands
Waste revenues	668	408
Currency gains	452	874
Income from the reversal of provisions	24	228
Income from the reversal of specific valuation allowances	29	0
Income from subsidies	75	20
Other income	455	187
Total	1,703	1,717

3.3 Other operating expenses

Other operating expenses are composed as follows:

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR thousands	EUR thousands
Currency losses	351	683
Losses on receivables	15	260
Other taxes	404	0
Other expenses	0	31
Total	770	974

3.4 Financial income

Financial income is made up as follows:

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR thousands	EUR thousands
Other interest and similar income	21	27
Dividend income	0	4
Total	21	31

3.5 Financial expenses

Financial expenses are made up as follows:

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR thousands	EUR thousands
Interest paid	1,722	526
Other interest and similar expenses	18	56
Total	1,740	582

The interest paid is attributable to the local investment loan for the Jintan site in the amount of EUR 1,152 thousand (2020: EUR 0 thousand) and to interest for other financial liabilities in the amount of EUR 570 thousand (2020: EUR 526 thousand).

Other interest and similar expenses mainly include expenses from commodity swap transactions of EUR 9 thousand (2020: EUR 0 thousand) (see Section 4.9).

3.6 Personnel expenses

Personnel expenses are made up as follows:

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR thousands	EUR thousands
Wages and salaries	19,490	16,837
Social security costs	3,504	2,511
Pensions	308	331
Total	23,302	19,679

3.7 Taxes on income and earnings

Taxes on income and earnings are made up of expense (+) / income (-):

	1 January to 30 June 2021	1 January to 30 June 2020
	EUR thousands	EUR thousands
Current taxes related to the reporting period	81	195
Taxes on income from other periods	1,767	-3
Expenses from deferred taxes	1,937	59
Deferred tax assets	-4,698	-624
Total	-913	-374

Income from deferred taxes is essentially attributable to the recognition of deferred tax assets on loss carry forwards of Schweizer Electronic (Jiangsu) Co., Ltd., China in the amount of EUR 4,588 thousand. As at 30 June 2021, the loss carried forward by Schweizer Electronic (Jiangsu) Co., Ltd., China, taking into account conversion differences in the amount of EUR 599 thousand, increased by EUR 18,353 thousand to EUR 32,152 thousand (31 December 2020: EUR 13,200 thousand). In the long term, it is assumed that future income taxes from future taxable results exceed the recognised deferred claims so that these can be used. Individual plans were validated and the uncertainties were adequately taken into account.

No further deferred tax assets were formed for the losses incurred by Schweizer Electronic AG, Schramberg in the first half of the year due to the current assessment of the development of future taxable results.

Income taxes relating to other periods are attributable to the taxation of grants for the acquisition of land use rights at the Jintan site in 2018.

3.8 Earnings per share

The following table shows the amounts on which the calculation of undiluted (corresponds to diluted) earnings per share is based.

	1 January to 30 June 2021	1 January to 30 June 2020
Earnings attributable to holders of ordinary shares of the parent company in EUR thousands	-11,529	-9,695
Weighted average number of ordinary shares	3,770,713	3,769,912
Earnings per share in EUR	-3.06	-2.57

4. NOTES TO THE CONSOLIDATED INTERIM BALANCE SHEET

4.1 Tangible and intangible assets

The major changes in fixed assets are due to the plant in Jintan, China. Assets under construction increased by EUR 2,948 thousand to EUR 5,323 thousand (31 December 2020: EUR 2,375 thousand). For these investments, a government grant of EUR 592 thousand is to be expected with reasonable certainty, so that these have already been deducted from the acquisition and production costs.

At the Schramberg site, assets under construction decreased by EUR 4,484 thousand to EUR 1,052 thousand (31 December 2020: EUR 5,536 thousand). As part of a sale-and-leaseback transaction, a technical asset was sold after its completion. This led to a disposal of assets under construction in the amount of EUR 4,865 thousand and an addition of the present value in the rights of use in the amount of EUR 4,536 thousand in accordance with IFRS 16 (for the leasing liability, see Section 4.4).

4.2 Other assets

Other financial assets are comprised as follows:

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Financial receivables	811	906
Miscellaneous other financial assets	185	175
Vendors with debit balances	0	400
Total other financial assets	996	1,481
Non-current	5	5
Current	991	1,476

The decline in other financial assets is due in particular to a reduction in debtors, which was caused by the trade-in of a machine at a supplier and was completely settled in the first half of 2021. The development of financial receivables results from a measure to optimise working capital from the area of receivables management.

Other assets are comprised as follows:

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Turnover tax claims from investments	2,756	1,150
Receivables from outstanding grants from public authorities	8,462	20,437
Upfront Payment	717	0
Miscellaneous other assets	3,182	1,649
Total other assets	15,117	23,236
Non-current	701	0
Current	14,416	23,236

The decline in other assets is due to the inflow of government grants (EUR 11,911 thousand) in the first half of 2021.

The significant changes in other assets were the intra-year increase in prepaid expenses by EUR 746 thousand to EUR 1,471 thousand (31 December 2020: EUR 725 thousand), based on the payment of anticipated price reductions to a major customer (upfront payment) of EUR 717 thousand, the recognition of a claim for energy taxes in the first half of the year to EUR 152 thousand, as well as the recognition of receivables from state subsidies in connection with short-time work in the amount of EUR 57 thousand (31 December 2020: EUR 134 thousand).

4.3 Financial liabilities

Financial liabilities as of 30 June 2021 exclusively include bank loans in the amount of EUR 90,901 thousand (31 December 2020: EUR 84,948 thousand).

The change in financial liabilities as at 31 December 2020 of EUR 5,954 thousand results from the disbursement of KfW loans of EUR 3,550 thousand in Schramberg and borrowings of EUR 4,185 thousand from Schweizer Electronic (Jiangsu) Co., Ltd., China, as well as from repayments on loans from Schweizer Electronic AG in the amount of EUR 1,781 thousand.

4.4 Other financial liabilities

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Lease liabilities	9,372	5,034
Miscellaneous other financial liabilities	17	31
Total other financial liabilities	9,389	5,065
Non-current	7,587	4,093
Current	1,802	972

The increase in lease liabilities is attributable to a sale-and-leaseback transaction in the amount of EUR 4,536 thousand (for the associated right of use, see Section 4.1).

4.5 Provision for defined benefit pension plans

The development of the defined benefit pension plan provision was simulated on the basis of unchanged financial and demographic assumptions with the exception of the discount rate (see page 152 onwards of the 2020 Annual Report). Actuarial losses due to the increase in the market interest rate by 0.44 percent to 0.96 percent as at 30 June 2021 (31 December 2020: 0.52 percent) are included in other comprehensive income at EUR 1,083 thousand. In the previous year, the simulation showed that the change in the market interest rate at the half-year only led to an insignificant change in the provision, which was not taken into account in the provision for defined benefit pension plans.

4.6 Other provisions

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Obligations vis-à-vis employees	2,369	1,272
Guarantees	284	284
Insurance premiums	3	3
Additional provisions	5,633	5,610
Total	8,289	7,169
Non-current	4,078	4,334
Current	4,211	2,835

The obligations to employees include holiday entitlements of employees in the amount of EUR 1,510 thousand (31 December 2020: EUR 188 thousand) and obligations arising from a works agreement for partial retirement provisions, which amounted to EUR 964 thousand as at the reporting date (31 December 2020: EUR 1,089 thousand) and with reinsurance assets of EUR 650 thousand (31 December 2020: EUR 636 thousand). Furthermore, provisions for time credits of EUR 358 thousand (31 December 2020: EUR 200 thousand), for variable remuneration of EUR 138 thousand (31 December 2020: EUR 332 thousand) and outstanding anniversary bonuses of EUR 48 thousand (31 December 2020: EUR 48 thousand).

Provisions relating to restructuring for severance payments (31 December 2020: EUR 51 thousand) have been used up and no longer exist.

The other provisions mainly include outstanding cost accounting in the amount of EUR 448 thousand (31 December 2020: EUR 127 thousand), costs in connection with the upcoming annual financial statement of EUR 218 thousand (31 December 2020: EUR 249 thousand), for Supervisory Board remuneration of EUR 90 thousand (31 December 2020: EUR 180 thousand) and costs for legal proceedings amounting to EUR 3,176 thousand (31 December 2020: EUR 3,183 thousand).

4.7 Trade and other payables

The decrease in trade payables to EUR 31,969 thousand (31 December 2020: EUR 36.323 million) is mainly due to the settlement of liabilities in connection with the investment measures at the new Jintan production site.

Other liabilities are comprised as follows:

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Liabilities from salary and wage accounting	2,395	2,073
Liabilities from other taxes	2,104	1,154
Liabilities relating to social security	637	122
Liabilities upfront	582	0
Miscellaneous other liabilities	79	239
Total other liabilities	5,797	3,588
Non-current	577	0
Current	5,220	3,588

The increase in payroll liabilities is mainly due to the annual special payment made in June, which had not yet been paid as of 30 June.

The increase in other taxes is mainly due to the increase in the value added tax debt of EUR 960 thousand, which is the basis for the sale-and-leaseback transaction.

The upfront liability is based on a deferred payment receipt for anticipated price discounts from a supplier (upfront payment) of EUR 582 thousand.

4.8 Grants from public authorities

The grants from public authorities received were mainly attributable to funded investments for buildings and machinery made by Schweizer Electronic (Jiangsu) Co., Ltd., China.

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Balance of liabilities from grants from public authorities		
As at 1 January	0	20,615
Currency difference	0	519
	0	20,096
Received in the business year	13,071	5,431
of which building shell construction	12,744	2,493
of which input tax amounts to be repaid for building shell construction	-2,005	0
of which building interior / equipment and machinery	2,224	1,731
of which rent subsidies	0	191
of which personnel expense (corona pandemic-related) Germany	9	451
of which personnel expense (COVID-19 pandemic related) China	0	365
of which research and development	8	200
of which other income (corona pandemic-related)	24	0
of which other (China)	67	0
Released through profit and loss	-108	-1,239
of which rent subsidies	0	-191
of which personnel expense (corona pandemic-related) Germany	-9	-483
of which personnel expense (COVID-19 pandemic related) China	0	-365
of which research and development	-8	-200
of which other income (corona pandemic-related)	-24	0
of which other (China)	-67	0
Outstanding grants	10,046	22,387
of which building shell construction	5,619	16,559
of which building interior / equipment and machinery	3,835	5,796
of which building interior / equipment and machinery	592	0
of which personnel expense (corona pandemic-related) Germany	0	32

Withdrawal of grants from Procurement and manufacturing costs	-10,046	-44,755
of which building shell construction	-5,619*	-37,528
of which building interior / equipment and machinery	-3,835*	0
of which building interior / equipment and machinery	-592	-7,066
of which other plant, factory and office equipment	0	-161
* Sales of the APCs were already made in the previous year		
Payments to receivables from grants	-11,911	0
of which building shell construction	-11,692	0
of which input tax amounts to be repaid for building shell construction	2,005	0
of which building interior / equipment and machinery	-2,224	0
Crediting of value added tax	-1,052	-1,921
of which building shell construction	-1,052	-1,921
Balance of liabilities from Government grants as of the reporting date	0	0

	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Receivables (+) / liabilities (-) from Grants from public authorities	10,046	22,387
Current	10,046	22,387
Non-current	0	0

4.9 Additional information concerning financial instruments

The following table shows the allocation of balance sheet items to the measurement categories in accordance with IFRS 9:

	Measurement category according to IFRS 9	Carrying amounts 30 June 2021 EUR thousands	Carrying amounts 31 December 2020 EUR thousands
Assets			
Participating interests	at fair value through profit or loss	12	12
Trade receivables	Amortised cost	16,154	19,795
Other financial assets			
Derivative financial assets (no hedge relationship)	at fair value through profit or loss	11	0
Other non-derivative financial assets	Amortised cost	996	1,481
Means of payment and cash equivalents	Amortised cost	24,431	22,973
Liabilities			
Financial liabilities	Amortised cost	90,901	84,948
Trade payables	Amortised cost	31,969	36,323
Other financial liabilities			
Derivatives with negative market value	at fair value through profit or loss	17	0
Leasing liabilities	Amortised cost	9,372	5,034
Other non-derivative financial liabilities	Amortised cost	0	31

The carrying amounts of the financial instruments, aggregated according to the measurement categories of IFRS 9, are as follows:

Aggregated presentation by measurement category:

Category	30 June 2021	31 December 2020
	EUR thousands	EUR thousands
Financial assets measured at amortised cost	41,581	44,249
Financial assets measured at fair value through profit or loss	11	0
Financial assets (equity instruments) measured at fair value through other comprehensive income (Fair Value OCI)	12	12
Financial liabilities measured at amortised cost	132,242	121,262
Financial liabilities measured at fair value through profit or loss	17	0

With regard to other participating interests, the carrying amount corresponds to the fair value due to the measurement category.

As at 30 June 2021, the derivative financial instruments comprised raw material hedges. The raw material hedges involve raw material derivatives (gold swaps), whereby a fixed price is paid for gold and the bank pays variable amounts. Derivatives were valued on the basis of observed comparative values for identical assets on active markets (input factors at level 2).

In the case of trade receivables, other non-derivative financial assets and cash and cash equivalents, the carrying amounts correspond to the fair value, due to the predominantly short maturities of these instruments.

In the case of trade payables, other non-derivative financial liabilities and other liabilities, it is assumed with short maturities, that the carrying amounts of these instruments correspond to the fair values.

The fair value of financial liabilities and other non-current (non-derivative) financial liabilities is estimated by discounting future cash inflows at the currently available interest rate with similar conditions, credit risks and remaining maturities. The carrying amounts of these liabilities did not differ materially from their calculated fair value.

Information on measuring the fair value

The following table shows the assets and liabilities measured at fair value:

In EUR thousands	30 June 2021			31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other participating interests			12			12
Derivate financial instruments with positive market value		11				
Assets	0	11	12	0	0	12
Derivate financial instruments with negative market value		17				
Liabilities	0	17	0	0	0	0

Net losses and gains on financial instruments by measurement category according to IFRS 9 as at balance sheet date 30 June 2021

In EUR thousands	Fair value	Value adjustment	from Interest	from dividends	Net result
Financial assets measured at amortised cost		14	4		18
Financial assets measured at fair value through profit or loss (FVTPL)					0
Financial assets (equity instruments) measured at fair value through other comprehensive income (FVOCI)					0
Financial liabilities measured at amortised cost			-1,722		-1,722
Financial liabilities measured at fair value through profit or loss (FVTPL)					0
Total	0	14	-1,718	0	-1,704

The net interest expense of EUR 1,718 thousand (2020: EUR 489 thousand) includes interest income of EUR 22 thousand (2020: EUR 28 thousand) and interest costs of EUR 1,740 thousand (2020: EUR 526 thousand).

Net losses and gains on financial instruments by measurement category according to IFRS 9 for the financial year end 2020

In EUR thousands	Fair value	Value adjustment	from Interest	from dividends	Net result
Financial assets measured at amortised cost		-292	-4		-296
Financial assets measured at fair value through profit or loss (FVTPL)					0
Financial assets (equity instruments) measured at fair value through other comprehensive income (FVOCI)	-280			4	-276
Financial liabilities measured at amortised cost			-1,834		-1,834
Financial liabilities measured at fair value through profit or loss (FVTPL)					0
Total	-280	-292	-1,838	4	-2,407

4.10 Contingent liabilities and legal disputes

The contingent liabilities and legal disputes of the SCHWEIZER Group have not changed compared to the consolidated financial statements for 2020.

4.11 Information on related party transactions

With the exception of the transactions described below, there were no significant business transactions with related parties in the reporting period.

A member of the Supervisory Board manages WUS Printed Circuit Kunshan Co., Ltd., from which goods amounting to EUR 3,011 thousand (30 June 2020: EUR 3,967 thousand) and services in the amount of EUR 1 thousand (30 June 2020: EUR 30 thousand) were procured. As at 30 June 2021, there were liabilities to this company in the amount of EUR 2,762 thousand (30 June 2020: EUR 3,740 thousand).

5. EVENTS AFTER THE REPORTING PERIOD

There were no significant reportable events after the balance sheet date.

Schramberg, 29 July 2021

Schweizer Electronic AG

The Executive Board



(N. F. Schweizer)



(M. Bunz)

AUDITOR'S REVIEW CERTIFICATE

To Schweizer Electronic AG

We have reviewed the condensed consolidated financial statements of Schweizer Electronic AG, Schramberg, – comprising the condensed income statement, the condensed statement of comprehensive income, the condensed balance sheet, the condensed cash flow statement, the condensed statement of changes in equity and the notes – and the Group interim management report for the period from 1 January to 30 June 2021, which form part of the halfyear financial report in accordance with Section 115 WpHG. The preparation of the condensed consolidated financial statements in accordance with IFRS for interim reporting as applicable in the EU and the Group interim management report in accordance with the regulations applicable to group interim management reports in accordance with the regulations of the WpHG is the responsibility of the company's legal representatives. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the Group interim management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the Group interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can assert through critical evaluation, with reasonable assurance, that the condensed interim consolidated financial statements have been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the Group interim management report has been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to group interim management reports. A review is limited primarily to enquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the Group interim management report has not been prepared, in material respects, in accordance with the provisions of the WpHG applicable to group interim management reports.

Freiburg im Breisgau, 30 July 2021

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft [Audit firm]

Nietzer

Wirtschaftsprüfer

Mittelberger

Wirtschaftsprüfer

DECLARATION BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable principles for half-yearly reporting, the condensed Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Schramberg, 29 July 2021

Schweizer Electronic AG

The Executive Board



(N. F. Schweizer)



(M. Bunz)

INFOR- MATION

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LEGAL NOTICE

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In order to ensure better readability, gender-differentiated wording was not used. The relevant terms apply within the meaning of gender equality. The shortened form is only used for editorial purposes.

In this report, Schweizer Electronic AG is also referred to as SCHWEIZER.

In this report, WUS Printed Circuit (Kunshan) Co., Ltd. is also referred to as WUS.

All figures are rounded, which can lead to minor deviations when these are added up.

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The English version is for convenience only - should there be discrepancies between the German and English version of the report, the German version shall prevail.

SAFE HARBOUR STATEMENT

This communication contains forward-looking statements and information; that is, statements about events in the future, not the past. These forward-looking statements can be identified by formulations such as “expect”, “wish to”, “anticipate”, “propose”, “plan”, “believe”, “seek to”, “estimate”, “become” or similar terms. While such forward-looking statements represent our current expectations and particular assumptions, they are subject to various risks and uncertainties. A number of factors, many of which are outside the control of SCHWEIZER, have an impact on SCHWEIZER’s business activities, strategy and results. These factors could cause the actual results and performance of the SCHWEIZER Group to differ materially from the information on results and performance made explicit or implied in these forward-looking statements. On our part, these uncertainties arise in particular due to the following factors: Changes to the overall economic and business position (including margin developments in the major divisions), challenges posed by the integration of important acquisitions and the implementation of joint ventures and other major portfolio measures, changes to exchange and interest rates, the introduction of competing products or technologies by other companies, failure to find acceptance of new products and services among SCHWEIZER’s target client groups, changes to the business strategy and various other factors. Should one or more of these risks or uncertainties be realised or should it become apparent that the underlying assumptions were incorrect, this could cause the actual results to differ materially both in a positive and negative sense from the results referred to in forward-looking statements such as expected, anticipated, proposed, planned, projected or estimated. SCHWEIZER does not obligate itself and does not intend to revise or correct these forward-looking statements in light of developments which differ from those anticipated.

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