

HALF-YEAR FINANCIAL REPORT AS AT 30/06/2023

FINANCIAL CALENDAR

Date	Publication / event
04/08/2023	Half-year financial report as at 30/06/2023
03/11/2023	Report for 3rd quarter 2023
28/06/2024	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 2023	1st HY 2022
Order entry	103.7	112.2
Revenues	68.7	64.6
Book-to-Bill Ratio	1.5	1.7
EBITDA	46.7	-7.1
EBITDA Margin (%)	67.9	-11.0
EBITDA adjusted ¹⁾	5.7	1.6
EBITDA Margin adjusted ¹⁾ (%)	8.3	2.5
EBIT	43.1	-13.2
EBIT Margin (%)	62.7	-20.5
Result of the period	37.1	-16.1
Cash flow for operating activities	1.1	-10.6

EUR millions	30/06/2023	31/12/2022
Open orders	235.3	234.4
Total assets	109.2	160.3
Equity	31.3	-8.8
Equity ratio (%)	28.7	-5.5
Net Gearing (%)	70.4	n/a (neg. equity)
Working Capital	25.0	-1.6
Employees ²⁾	580	934

¹⁾ Adjusted for Chinese subsidiary and deconsolidation effect

²⁾ As of June 30

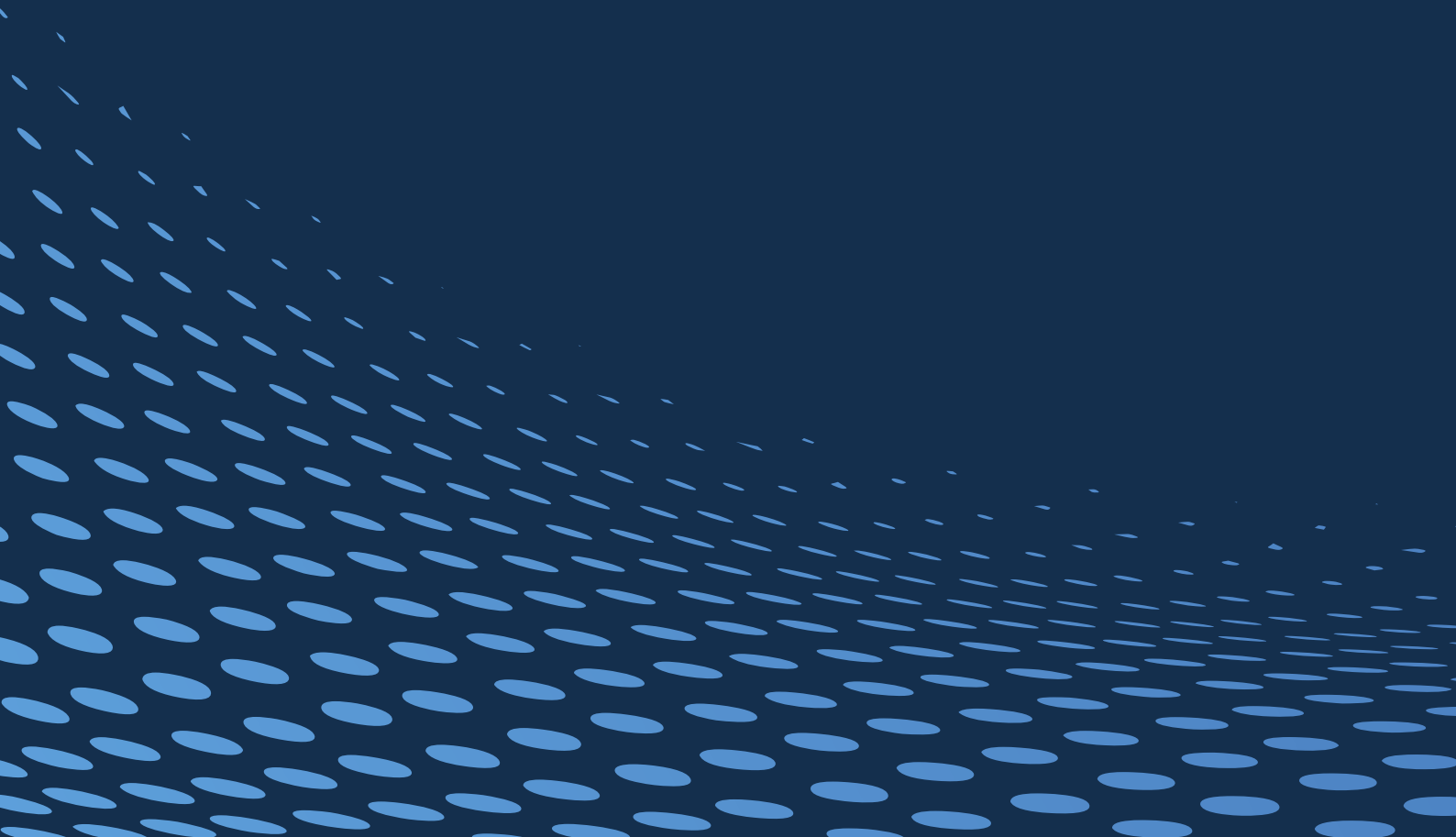
Information of the applied accounting and valuation principles can be found in point 2 of the notes to the consolidated interim financial statement.

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



MORE THAN PCBs

OVERVIEW OF CONTENTS



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THE SHARE

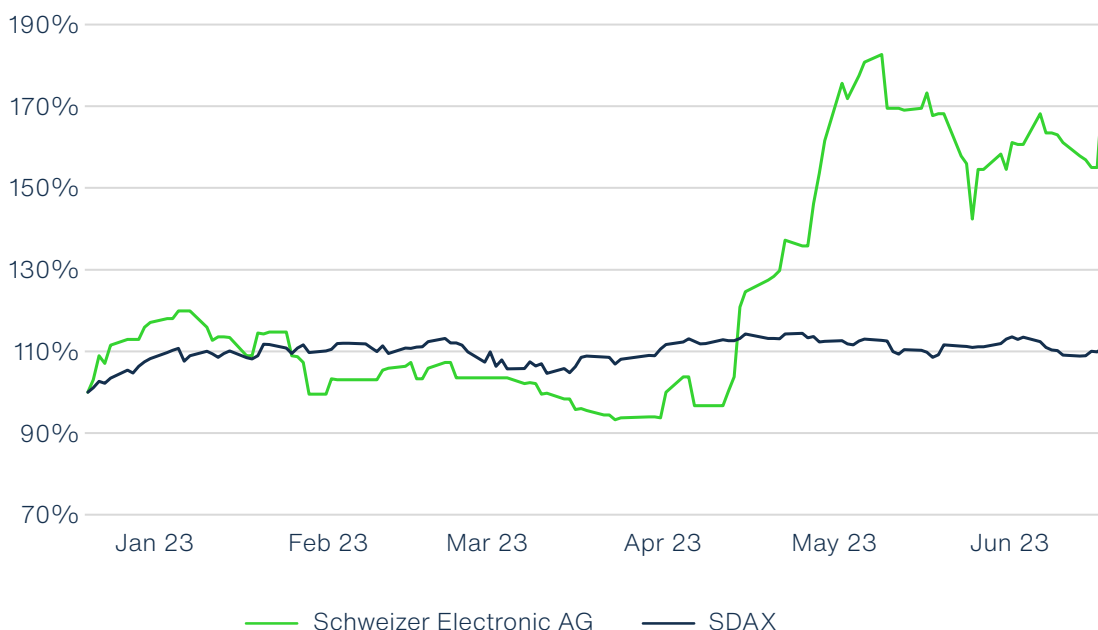
THE FIRST HALF OF 2023 ON THE FINANCIAL MARKETS

Inflation, the monetary policy of central banks, fears of recession and uncertain corporate outlooks, war in Ukraine and international tensions – market participants have not suffered from a lack of discussion topics in the first half of 2023. Measured against the many uncertainties, however, the stock market has performed well overall. The leading German index DAX ended the first half of the year on 30 June with an increase of more than 15 percent at 16,147.9 points. However, the risks remain largely the same for the time being.

Recently, however, the situation on the capital markets has seemed to constantly improve – thanks to the rather restrained interest rate policy and positive macroeconomic data. At the same time, volatility – also an indicator of uncertainty on the capital market – is currently comparatively low, which should generally favour transactions.

SCHWEIZER ELECTRONIC AG SHARES SEE SIGNIFICANT RECOVERY

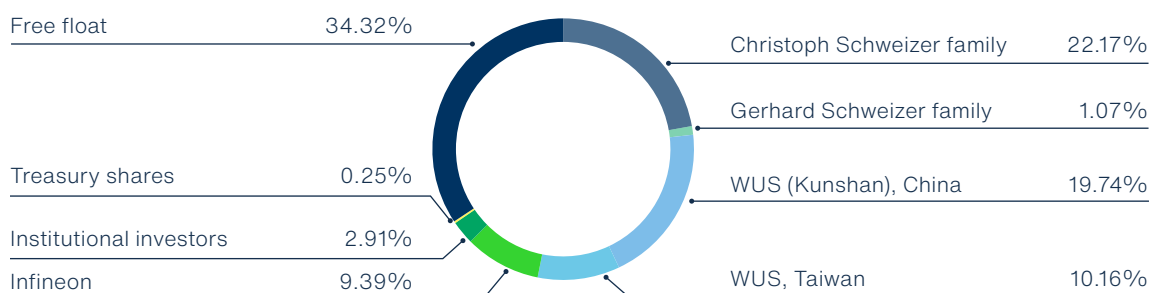
Schweizer Electronic AG shares performed very positively in the first half of 2023: here, small-cap investors paid particular attention to the news in April this year that the majority of its involvement in China was sold to WUS Printed Circuit (Kunshan) Co., Ltd. with registered office in China ("WUS"). The majority of investors saw it as positive that SCHWEIZER is handing over the majority with this step, but can improve the balance sheet by deconsolidating the Chinese subsidiary and at the same time fall back on the new capacities available in China through the strong partnership with WUS.



Average daily sales of SCHWEIZER shares, at around 2,400 units, were slightly below sales of the previous year, while the share recorded an increase of around 73 percent, more than clearly outperformed the SDAX index, which increased by around 11 percent.

SHAREHOLDER STRUCTURE

On 30 June 2023, the shareholder structure of Schweizer Electronic AG was as follows:



ANNUAL GENERAL MEETING 2023

On 27 June 2023, the Annual General Meeting took place for the first time as a face-to-face event after a three-year break. In total, 67 percent of the registered share capital of Schweizer Electronic AG was represented.

With a large majority, the Annual General Meeting expressed its trust in both the members of the Executive Board and the Supervisory Board for the past financial year, and agreed to all of the proposed resolutions.

Dr Andreas Schumacher, Executive Vice President Strategy, Mergers & Acquisitions at Infineon Technologies AG, was elected as a new member of the Supervisory Board with a majority of 99.99 percent.

Detailed voting results and further information concerning the Annual General Meeting are available on the Internet at <https://schweizer.ag/investoren-und-medien/hauptversammlung>.

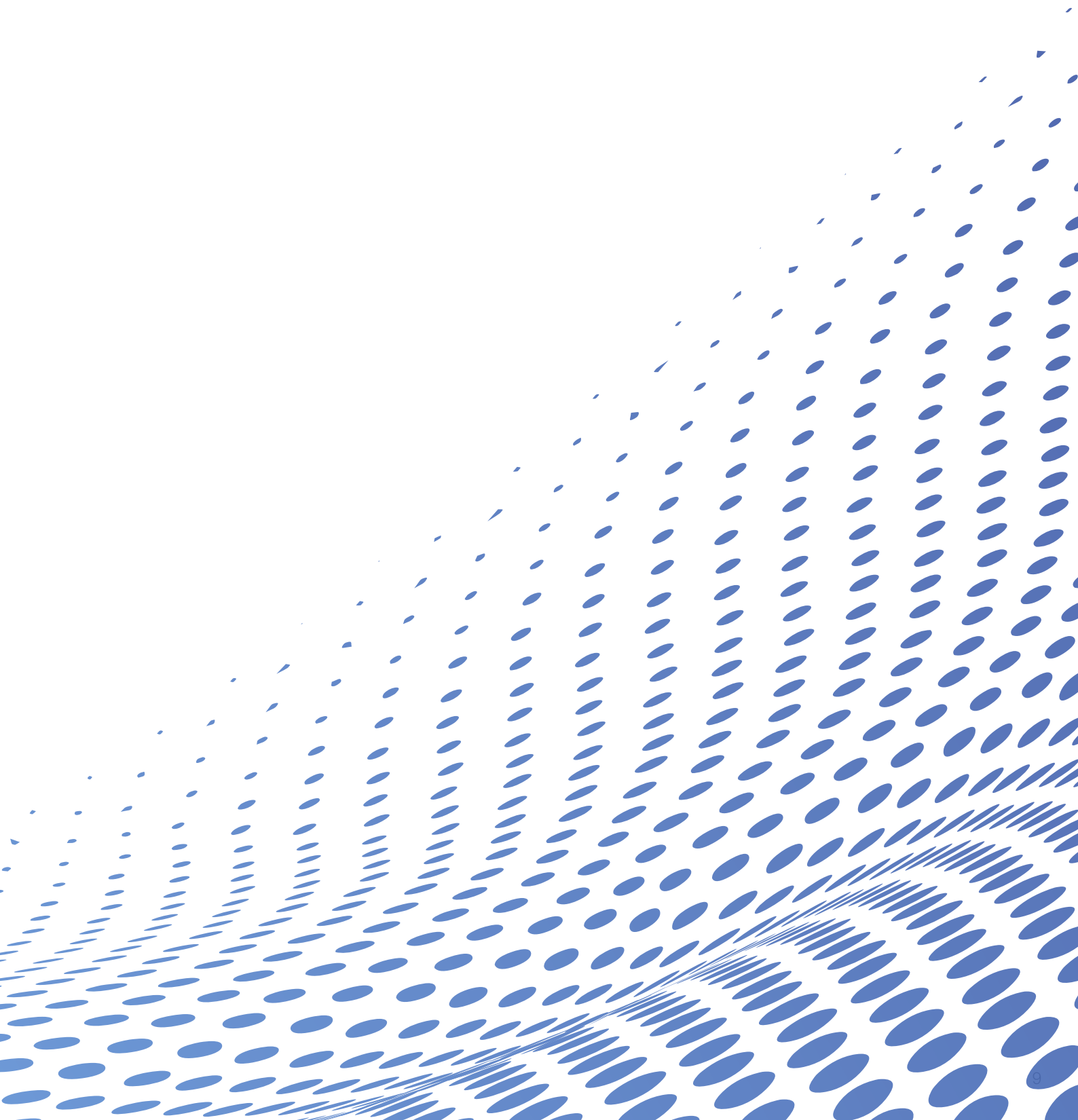
SHARE DATA

	30/06/2023	30/06/2022
Share price (daily closing price) ¹⁾	7.40 EUR	7.60 EUR
Period high	7.80 EUR	14.95 EUR
Period low	3.98 EUR	7.60 EUR
Market capitalisation at 30/06	28.0 EUR millions	28.7 EUR millions

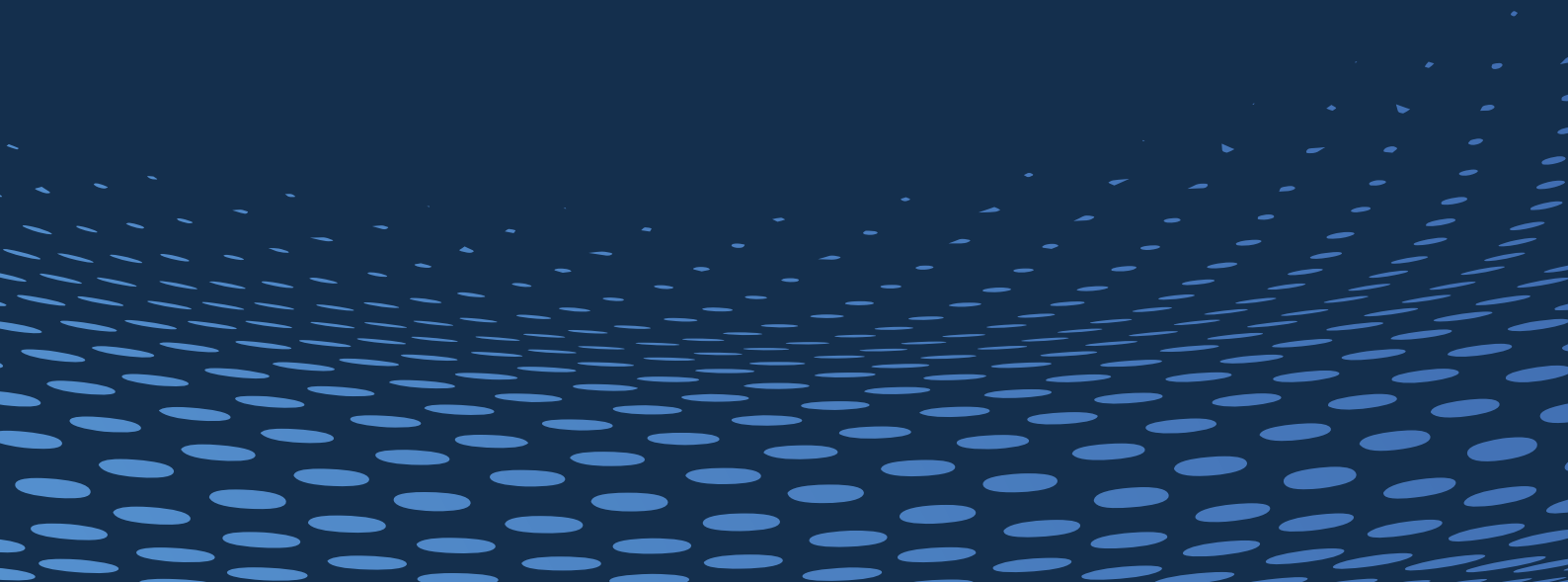
¹⁾ (XETRA trade)

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 2023

After unfavourable conditions caused a weakening of the global economy in 2022, the initial situation improved significantly in the first half of 2023. The increase in global production accelerated noticeably in the course of the first half of 2023, although a sustainable upturn was not yet apparent. Energy prices fell compared to the previous year. In China, the government's abandonment of Covid infection control measures led to an increase in domestic production. In addition, supply bottlenecks no longer hampered global supply chains to the same extent as last year. Inflationary pressures also declined somewhat. The sharp tightening of monetary and fiscal policy in most industrialised countries, on the other hand, led to a significant increase in financing costs and thus to a reluctance in investment activity and private consumption. Last but not least, the uncertainties triggered by the banking crises in the USA and Europe weighed on the global economy.

In the first quarter, global production increased by +0.8 percent, due in particular to the significant increase in production in China. In the same period, the gross domestic product of developed economies increased at a rate of +0.3 percent compared to the fourth quarter of 2022. In the USA, economic output and employment rose significantly despite interest rate hikes by the Federal Reserve. However, the economic upturn slowed in the course of the first half of the year, which initially was mainly driven by private consumption. Economic output in the euro area declined slightly. Both the reduction in government spending and the restrained consumption of households were dampening factors. In Germany, supply bottlenecks and high levels of sick leave continued to weigh on economic activity, meaning that the gross domestic product fell again in the first quarter of the year. The second quarter did not develop any positive momentum either, especially as the cloudy economic indicators and the uncertainties triggered by the energy crisis and the tightening of monetary policy had a dampening effect on the economy. Although industrial production in Germany was able to absorb high order backlogs, it also had to cope with the ongoing labour shortages in large parts of the economy. Growth in emerging markets was mainly driven by China, as a result of the move away from strict zero-Covid policies. The Chinese economy grew by +2.2 percent in the first quarter, although the service sector made a significant contribution to this, and industrial production has weakened again recently. In other emerging markets, the economy generally expanded somewhat more strongly in the first half of the year, although key interest rates also increased in most economies.

The global passenger car market was slightly above the previous year's level in the first quarter of the year. The main sales regions showed very different trends. Sales of vehicles in Europe increased quite significantly from a low level in the previous year. The US economy also registered more vehicles than in the previous year. It was only the Chinese passenger car market that was below the previous year's market figures. This weak development in China was mainly due to the loss of tax incentives concerning the purchase of vehicles with combustion engines at the turn of the year. After the first half of 2023, the German passenger car market recorded growth of +13 percent with 1.4 million additionally registered passenger cars. In the first half of the year, 299,500 electric vehicles were sold in Germany. This corresponds to a decline of -2 percent compared to the same period in the previous year.

(Sources: Kiel Economic Outlook series nos. 103 and 104, VDA press release dated 5 July 2023, Technical article from 21 June 2023 written by the ACEA, own sources)

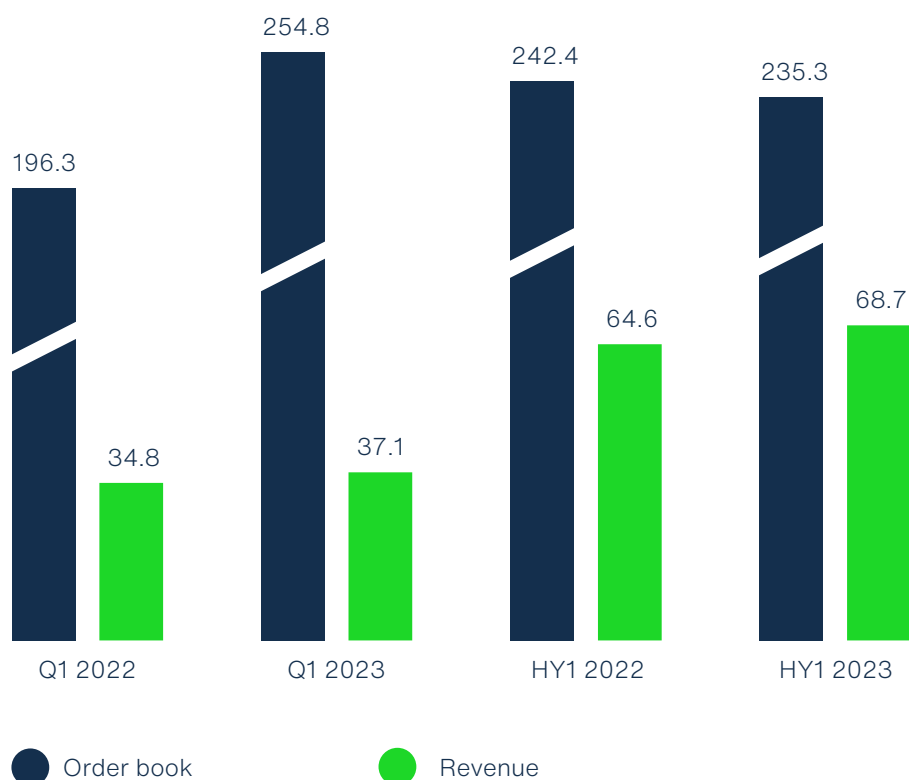
BUSINESS DEVELOPMENT

ORDER BOOK REMAINS AT A HIGH LEVEL

New orders in the first half of 2023 fell by -7.6 percent compared to the first half of the previous year. These amounted to EUR 103.7 million (first half of 2022: EUR 112.0 million). While incoming orders in the first quarter of the financial year increased by +32.8 percent compared to the same quarter in the previous year, incoming orders for the second quarter were down -31.5 percent compared to the second quarter of 2022. The second quarter of the previous year showed a significant increase compared to the previous quarter of 2022, while the second quarter of the current year was characterised by numerous postponements of delivery dates by customers. Compared to the first half of the previous year, incoming orders for PCBs produced in-house fell -6.0 percent in the first half of the year. A decline of -11.7 percent in incoming orders was recorded for the PCBs procured from our strategic trading partners. At the end of the first half of 2023, the order book amounted to EUR 235.3 million (31 December 2022: EUR 234.4 million) and this corresponds to a sales period of 22 months. From the order backlog, deliveries of EUR 59.8 million are due for the second half of 2023. The order book for 2024 and subsequent years amounted to EUR 175.4 million as at 30/06/2023.

Order book and sales

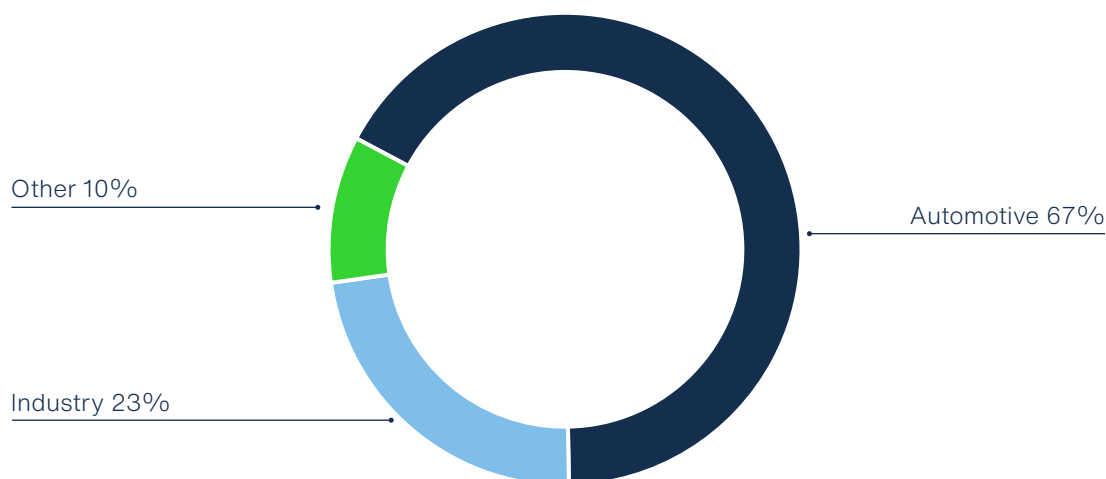
in EUR millions



SALES UP 6.4 PERCENT IN THE FIRST SIX MONTHS

Revenues amounted to EUR 68.7 million in the first half of the year (first half of 2022: EUR 64.6 million). This corresponds to an increase of +6.4 percent compared to the previous 6 months. While sales generated by PCBs produced in-house in Schramberg increased by 7 percent, the production volume at the Chinese subsidiary fell by 69 percent, due to the transitional situation in the context of the majority sale. In total, revenue from in-house production amounted to EUR 45.3 million, which corresponds to a decline of -3.7 percent compared to the first half of the previous year. Sales of products via our Asian partner network rose by +33.3 percent to EUR 23.5 million compared to the previous year's half-year. This shows the growing success of our partnerships within the framework of the Fab-Light concept. The share of sales from in-house production fell to 65.9 percent (first half of 2022: 72.7 percent).

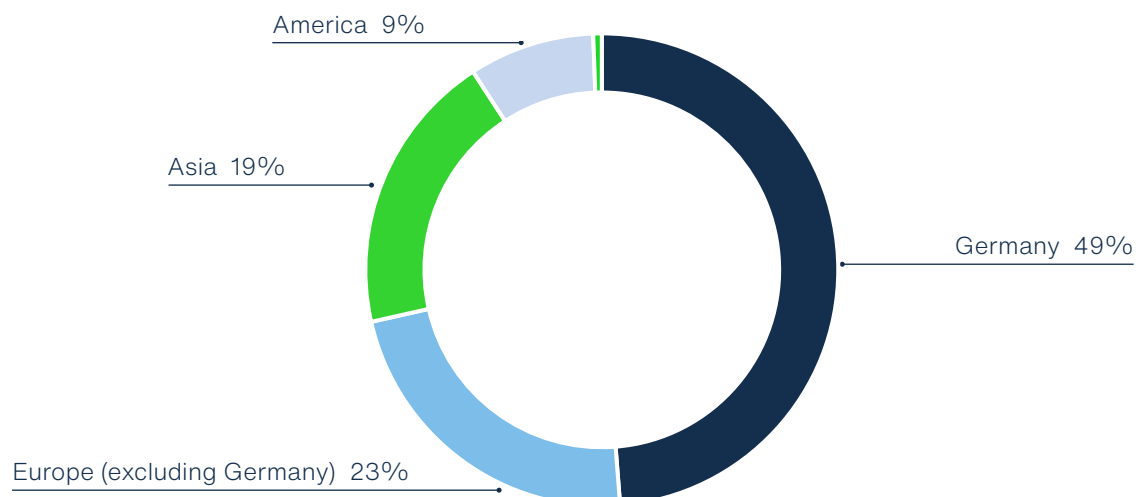
Automotive industry customers generated EUR 46.0 million (first half of 2022: EUR 41.9 million), which corresponds to an increase of +9.8 percent compared to the first half of the previous year. At EUR 22.7 million, sales to industrial customers and other customers were almost on a par with the same period in the previous year (first half of 2022: EUR 22.7 million). The increase in sales in the automotive sector led to a growth in the share of sales of 67.0 percent (first half of 2022: 64.9 percent). This development reflects the increasing dynamism in the automotive environment, after the industry was still severely affected in the previous year as a result of supply bottlenecks for electronic components. Industrial customers represented 23.0 percent of sales (first half of 2022: 25.9 percent), while other customers accounted for 10.0 percent (first half of 2022: 9.2 percent).

Sales by customer group

in EUR million	2023	2022
Automotive	46.0	41.9
Industry	15.8	16.7
Other	6.9	6.0
	68.7	64.6

For the main markets of Germany, the rest of Europe and Asia, there was a significant increase in sales compared to the first half of the previous year. The highest growth was recorded in the sales region of Europe (excluding Germany) with +33.8 percent. The increase in the German market was +11.6 percent. Exports to America and other export countries also rose sharply by +87.4 percent, with sales of EUR 6.3 million in the first half of the year. Sales in the Asian market, on the other hand, declined by -31.9 percent. This is especially due to the decline in sales in the Chinese market. On the one hand, the sales of the subsidiary in China, which left the consolidation group on 1 May 2023, were no longer included in May and June of the year, and on the other hand, production in China was reduced during the transition phase from the beginning of the year to the end of April of the year.

71.4 percent of sales were attributable to Germany and Europe (first half of 2022: 64.6 percent), 19.4 percent to Asia (first half of 2022: 30.2 percent) and 9.2 percent to America/Other countries (first half of 2022: 5.3 percent). Overall, the share of sales in the market regions outside Germany decreased slightly from 53.6 percent to 51.3 percent in comparison to the first half of 2022.

Sales by region

in EUR million	2023	2022
Germany	33.5	30.0
Europe (excl. Germany)	15.6	11.7
Asia	13.3	19.5
America	5.9	3.3
Other	0.4	0.1
	68.7	64.6

EBITDA INCREASED TO EUR 46.7 MILLION DUE TO DECONSOLIDATION INCOME – SIGNIFICANT INCREASE OF EUR +4.1 MILLION IN PROFITABILITY FOR THE GROUP DUE TO AN IMPROVED OPERATING RESULT

The sale of shares was completed in April 2023 following the approval of the Share Transfer Agreement by the shareholders of WUS Printed Circuit (Kunshan) Co., Ltd. with its registered office in Kunshan/China ("WUS"). Due to the loss of the majority shareholding of Schweizer Electronic AG in the subsidiary in China and the relinquishment of control, the subsidiary had to be deconsolidated from the SCHWEIZER consolidated financial statements with effect from 1 May 2023. The resulting changes in the financial position, net assets and results of operations are described below and explained in more detail in the notes.

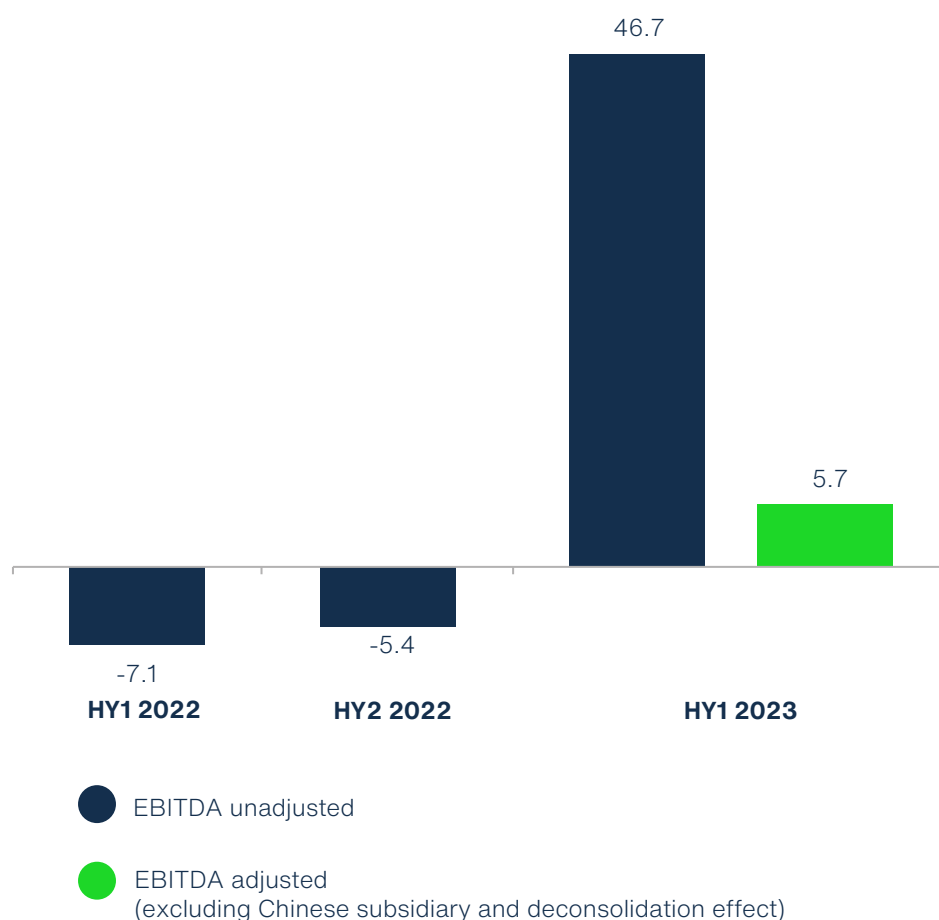
The transfer of shares and the subsequent capital increase by the majority shareholder resulted in a shareholding of 20 percent in the company in China. In view of the remaining significant influence, the company in China will be accounted for as an associate using the equity method as of 1 May 2023.

A positive gross profit of EUR +5.6 million was achieved (first half of 2022: EUR -4.3 million) in the first half of 2023 which corresponds to a change in gross profit of EUR +9.9 million and a gross margin of +8.2 percent (first half of 2022: -6.6 percent). In addition to a profitable product mix

and stringent cost management of the plant in Schramberg, the operating losses of the plant in China, which have not been consolidated since May this year, also contributed to this development. Excluding the gross earnings losses of the plant in China in the months January to April of the financial year, adjusted gross profit amounted to EUR +11.5 million (first half of 2022: EUR +5.6 million). The cost increases in energy costs were offset by sales price increases and an increasing share of high-margin PCBs. Other operating income increased by EUR +46.5 million year-on-year to EUR +49.0 million, of which EUR +46.9 million was derived from income from the deconsolidation of the subsidiary in China. The functional costs of sales and administration as well as operating expenses in the amount of EUR -11.5 million were approximately at the level of the first half of the previous year (first half of 2022: EUR -11.5 million). Earnings before depreciation, interest and taxes (EBITDA) amounted to EUR +46.7 million (first half of 2022: EUR -7.1 million). The EBITDA ratio is thus +67.9 percent (first half of 2022: -11.0 percent). The Group excluding China achieved an EBITDA of EUR +5.7 million (first half of 2022: EUR +1.6 million). This corresponds to an operating increase in EBITDA of EUR +4.1 million.

EBITDA

in EUR millions



The operating result (EBIT) amounted to EUR +43.1 million (first half of 2022: EUR -13.2 million) and corresponded to a positive change of EUR +56.3 million compared to the first half of the previous year. Adjusted for the values of the subsidiary in China and the deconsolidation income, EBIT amounted to EUR +4.5 million, which corresponded to a positive change in earnings by EUR +6.1 million compared to the first half of the previous year (first half of 2022: EUR -1.6 million).

Group net income increased by EUR +53.2 million compared to the first half of the previous year to EUR +37.1 million. The tax result includes income tax provision for the taxation of hidden reserves from a transferred patent to the subsidiary in China as well as the expected taxation of government grants in China. Deferred taxes on tax loss carryforwards as at 30 June 2023 were not recognised.

EQUITY RATIO INCREASED TO 29 PERCENT — SIGNIFICANTLY IMPROVED NET ASSETS AND FINANCIAL POSITION FOLLOWING DECONSOLIDATION OF THE CHINESE SUBSIDIARY

Compared to the situation at the end of 2022, total assets decreased by EUR -51.1 million to EUR 109.2 million. Non-current assets increased by EUR +8.5 million to EUR 53.4 million. The main reason for the increase was the financial investment accounted for using the equity method for the carrying amount of the 20 percent stake in the subsidiary in China. The carrying amount of tangible and intangible assets decreased by EUR -3.4 million to EUR 34.6 million.

Compared to the situation at year-end, current assets decreased by EUR -59.5 million to EUR 55.8 million. Assets held for sale amounted to EUR 78.8 million as at the reporting date of the previous year. In contrast, trade receivables increased by EUR +16.1 million. On the one hand, the increase is due to receivables from the now associated company in China after deconsolidation. On the other hand, the subsidiary in China transferred order backlogs to the SCHWEIZER subsidiary in Singapore, which generated corresponding sales. Liquid funds amounted to EUR 4.2 million at the end of the first half of 2023 (31 December 2022: EUR 2.0 million). The increase in cash and cash equivalents was significantly influenced by the payment of the purchase price received at the end of April from the acquirer for the transferred majority shares in the subsidiary in China.

Equity amounted to EUR 31.3 million (31 December 2022: EUR -8.8 million). Accordingly, the equity ratio is 28.7 percent (31 December 2022: -5.5 percent). The change as at the reporting date of the previous year was primarily due to income from deconsolidation in the amount of EUR +46.9 million of the subsidiary in China (see notes under section 3.2). Group net income adjusted for this amount amounted to EUR -9.8 million and includes, among other things, the fully consolidated losses of the subsidiary in China in the first four months. Other comprehensive income also reduced equity by EUR -2.0 million.

Non-current and current financial liabilities decreased by EUR -3.0 million to EUR 26.2 million (31 December 2022: EUR 29.2 million). The decrease was mainly due to the scheduled repayments by Schweizer Electronic AG in the first half of the year. The net gearing ratio was therefore 70.4 percent.

Other current liabilities amounted to EUR 27.6 million. As at the reporting date of the previous year, liabilities related to assets held for sale in the amount of EUR 91.2 million were also reported. Trade payables increased by EUR +2.9 million to EUR 16.3 million (31 December 2022: EUR 13.4 million).

Cash flow from operating activities amounted to EUR +1.1 million in the first half of the year. Profit before tax was adjusted for the result from consolidation. The change in working capital amounted to EUR +3.1 million. Changes in trade receivables were also influenced by the initial recognition of receivables from the associate in China.

The cash flow from investment activities in the amount of EUR +3.8 million was determined by the inflow of the sale price for the majority shares in the subsidiary in China. The total cash investments amounted to EUR -0.6 million. These mainly concerned the cash acquisition of tangible and intangible assets for the production site in Schramberg. Cash flow from financing activities included repayments and interest payments of EUR -5.8 million. In total, the change in the cash and cash equivalents amounted to EUR +0.5 million (first half of 2022: EUR -9.6 million).

OPPORTUNITIES AND RISKS REPORT

INFLATION AND INTEREST RATE TRENDS

In recent months, high inflation rates and rising interest rates have led to a reluctance to consume and buy capital goods and automobiles. In Germany, the inflation rate was +6.4 percent in June, while it fluctuated between 7.2 and 8.7 percent in the months of January to April 2023. This development could also prompt the European Central Bank (ECB) to refrain from further increases in the key interest rate or even to reduce the key interest rate in the medium term.

Such a development could provide valuable positive impetus for demand for automobiles and other capital goods and thus represent additional sales opportunities for SCHWEIZER products.

However, major economic research institutes forecast shrinking economic performance in the second half of 2023. High interest rates, the repercussions of the explosion in energy prices and special issues such as labour shortages and high rates of sickness absence put additional strain on the market. The hesitant customer call-offs, particularly in the second quarter, could therefore accelerate in the second half of the year and negatively affect SCHWEIZER's sales growth in 2023.

(Source: Statista)

NEW EU STANDARDS INCREASE INNOVATION PRESSURE AMONG AUTOMOTIVE CUSTOMERS

In particular, the anticipated EURO7 emissions standard, which is expected to enter into force in mid-2025, poses additional challenges for automotive manufacturers. The limit values for nitrogen oxide and carbon monoxide emissions are being significantly tightened again. The scope is no longer limited to passenger cars, but trucks and electric vehicles are also fully included in the regulations. Furthermore, it will no longer be sufficient to meet the exhaust emission limits in the laboratory environment, but these must be verified in real traffic.

This opens up the opportunity for SCHWEIZER to realise faster and larger project volumes in the 48 volt range in the medium term, particularly for our embedding technology.

EUROPEAN AUTOMOTIVE INDUSTRY LOSES MARKET SHARE IN ELECTROMOBILITY

Major European car manufacturers are complaining about declining sales figures for electric vehicles. This is not only due to the reduced state support in Germany, but in particular also to the lack of international competitiveness. In contrast, Chinese manufacturers are posting impressive successes and were able to significantly increase their sales figures for electric vehicles in a short time.

There is no doubt that sales of electric vehicles will increase worldwide. SCHWEIZER's customers – the automotive suppliers – benefit from this global trend and also allow SCHWEIZER additional growth opportunities.

On the other hand, it is becoming increasingly challenging for SCHWEIZER to achieve this growth when established European automotive manufacturers have to face major setbacks in terms of electromobility.

OVERALL ASSESSMENT

For the second half of 2023, the risks from the expected slight recession in Germany by the end of the year predominate. In the medium term, i.e. from 2024 onwards, we see predominantly good opportunities for better growth, driven by SCHWEIZER's technologies. These can significantly contribute to achieving stricter emissions standards.

With regard to further opportunities and risks, please refer to our explanations in the 2022 Annual Report on pages 67 et seqq. The remaining situation described therein has not changed significantly.

FORECAST REPORT

GROWTH WILL BE SLOWED BY MACROECONOMIC DEVELOPMENTS AND THE LOSS OF SCHWEIZER CHINA

SCHWEIZER forecasts sales growth of up to 5 percent for 2023 (previous year: 6.8 percent).

Recessive developments are expected in Germany in the second half of the year. Similarly, unresolved problems, particularly those of German automobile manufacturers, are putting a strain on SCHWEIZER's sales dynamics. As a result, call-offs of delivery schedules are often postponed, and new project start-ups begin with a later and slower ramp-up of volume production.

As part of the deconsolidation of Schweizer Electronic (Jiangsu), direct sales were still allocated to the SCHWEIZER Group up to and including April 2023. Compared to the previous year, this means that these sales for SCHWEIZER cease from the month of May, which means a negative effect compared to the previous year.

In a previous year comparison on the same basis, i.e. excluding the turnover of Schweizer Electronic (Jiangsu), growth would be between 10 and 15 percent.

OPERATIONAL PROFITABILITY AT PRE-CRISIS LEVEL PLUS SIGNIFICANT DECONSOLIDATION GAINS

The EBITDA ratio, which includes the proportionate results of SCHWEIZER China up to April 2023 as well as deconsolidation proceeds, is expected to amount to 35 to 40 percent (previous year: -9.4 percent).

The EBITDA ratio adjusted for SCHWEIZER China and the related deconsolidation proceeds is expected to be between 6 and 9 percent.

We also expect a positive EBITDA in the second half of the year, but see somewhat increasing pressures from the general economic environment. We assume stable energy prices and slightly declining material prices. The increasing competitive pressure from China, where existing capacities are partially underutilised, will put additional pressure on margins.

Overall, we expect an EBITDA in 2023, which, in addition to solid operating profit, is supported in particular by the one-off deconsolidation effects of SCHWEIZER China. The resulting stable balance sheet figures underline the correctness of the decision to sell the majority in SCHWEIZER China.

BALANCE SHEET FIGURES ARE SOLID AGAIN – AN EQUITY RATIO BETWEEN 25 AND 30 PERCENT IS CONFIRMED

We expect a net debt ratio of between 50 and 80 percent (this could not be determined last year due to negative equity). This means that, despite the remaining liabilities from the loans to Schweizer Electronic (Jiangsu) in the amount of EUR 25.5 million, the SCHWEIZER Group will again have a solid level of debt in relation to equity.

We forecast working capital to be between EUR 15 and 20 million (previous year: EUR -1.6 million). This is where the deconsolidation of Schweizer Electronic (Jiangsu) has a very significant impact. This had a strongly negative working capital in the previous year due to the extended payment terms to suppliers. In the second half of the year, due to structural effects, working capital will develop slightly more positively compared to the first half of 2023.

The equity ratio is expected to range from 25 to 30 percent by the end of 2023 (31 December 2022: -5.5 percent). The significant turnaround of this key figure is primarily due to the positive deconsolidation effects of Schweizer Electronic (Jiangsu), which was supported by a positive post-tax result in the other companies of the Group. For the second half of the year, we expect a balanced result at Group level, which will be additionally burdened by the pro rata loss allocations of Schweizer Electronic (Jiangsu) as part of the “at-equity consolidation”.

OVERALL ASSESSMENT

Thanks to the high positive deconsolidation effects, SCHWEIZER now has a significantly better starting position for investments and growth on the basis of solid financial figures.

	2022 actual	1st half year 2023	2023 forecast
Growth	6.8%	6.4%	+0 to +5%
EBITDA ratio	-9.4%	8.3% (adjusted*)	6% to 9% (adjusted*)
		67.9%	35% to 40%
Net gearing ratio	n/a (negative equity)	70.4%	50% to 80%
Working capital	EUR -1.6 million	EUR 25.0 million	EUR 15 to 20 million
Equity ratio	-5.5%	28.7%	25% to 30%

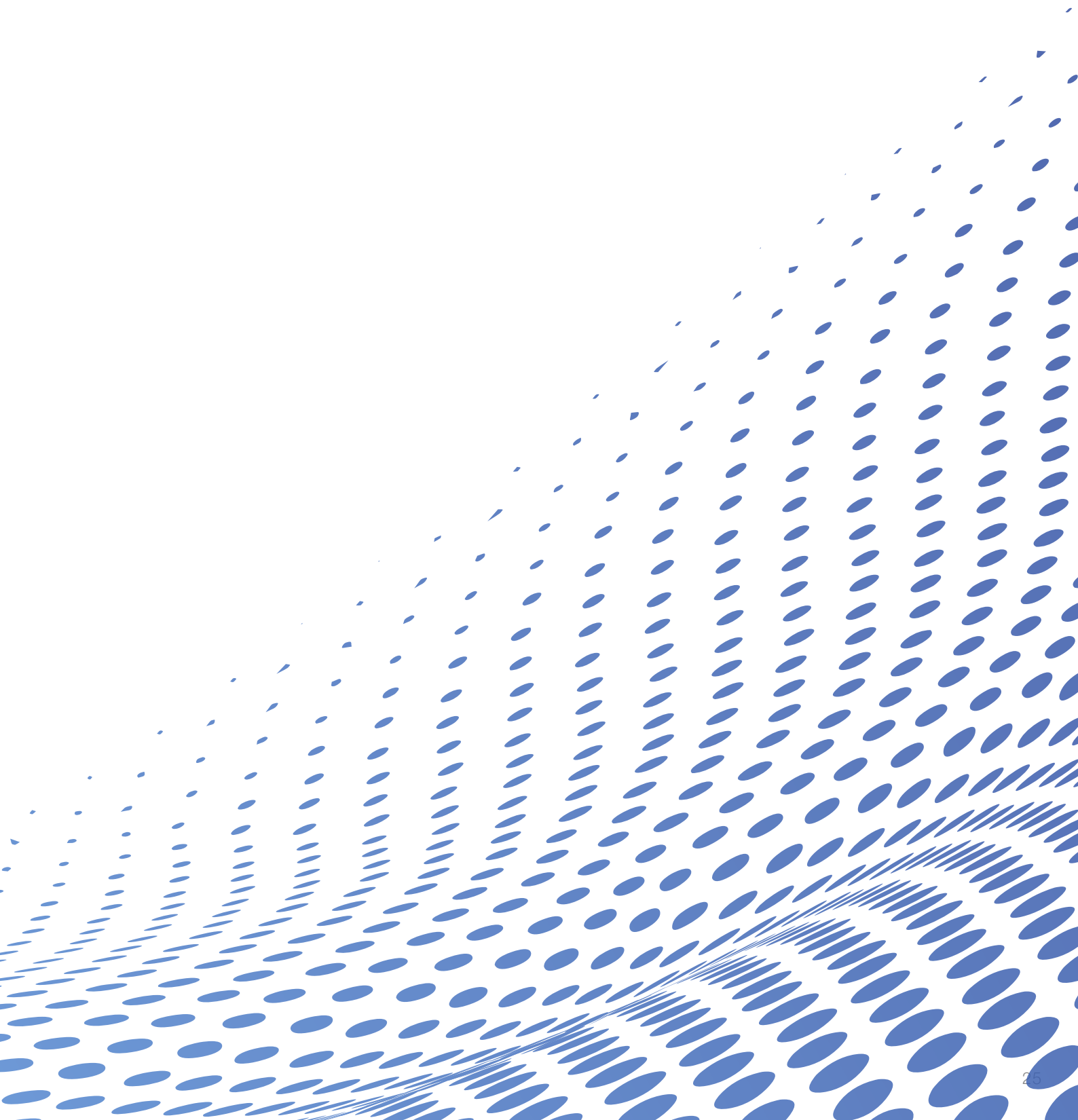
* adjusted for the Chinese subsidiary and deconsolidation effect

Schramberg, 2 August 2023

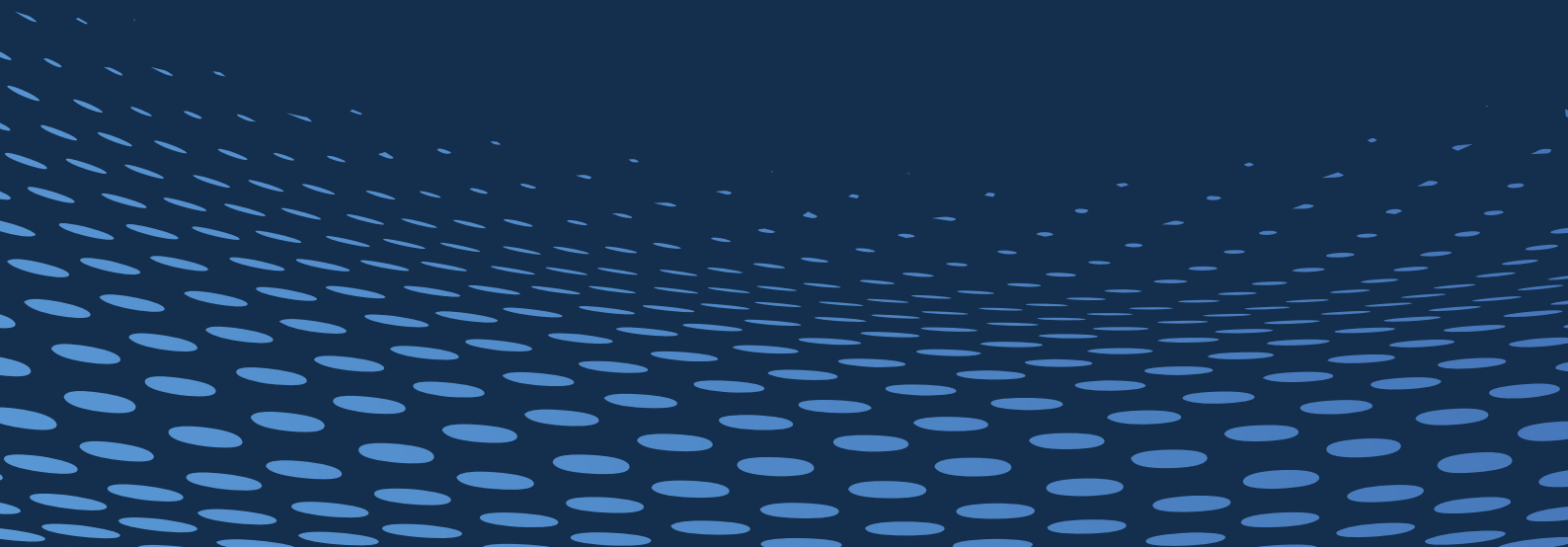
Schweizer Electronic AG

Nicolas-Fabian Schweizer
Chairman of the Executive Board

Marc Bunz
Chief Financial Officer



CONSOLIDATED INTERIM FINANCIAL STATEMENT



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

	01/01 - 30/06/2023 EUR thousands	01/01 - 30/06/2022 EUR thousands
Sales revenue	68,726	64,579
Cost of sales Cost of goods and services provided to generate sales	-63,101	-68,866
Gross profit	5,625	-4,287
Distribution costs	-2,786	-2,772
Administration costs	-7,361	-7,443
Other operating income	49,006	2,535
Other operating expenses	-1,369	-1,260
Operating result	43,115	-13,227
Financial income	2	6
Financial expenses	-2,387	-2,519
Result from investments accounted for under the equity method	-891	0
Earnings before taxes on income and revenue	39,839	-15,740
Taxes on income and revenue	-2,722	-332
Consolidated result	37,117	-16,072
Of which attributable to:		
Shareholders of the parent company	37,117	-14,112
Non-controlling interests	0	-1,960
Earnings per share		
Undiluted (=diluted) shareholding (per share)	3,770,713	3,770,713
Undiluted, based on the profit attributable to holders of ordinary shares of the parent company (in EUR)	9.84	-3.74
Diluted, based on the profit attributable to holders of ordinary shares of the parent company (in EUR)	9.84	-3.74

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

	01/01 - 30/06/2023 EUR thousands	01/01 - 30/06/2022 EUR thousands
Consolidated result	37,117	-16,072
Other income		
Other income to be reclassified to profit or loss in subsequent periods (after taxes):	-2,075	202
Currency translation of foreign operations	-2,075	202
Other income not to be reclassified to profit or loss in subsequent periods (after taxes):	0	2,339
Gains/(losses) on the revaluation of defined benefit pension plans	0	3,300
Related tax	0	-961
Gains/(losses) from assets measured at fair value through other comprehensive income	0	0
Other income after tax	-2,075	-2,541
Total income after tax	35,042	-13,531
Of which attributable to:		
Shareholders of the parent company	35,042	-11,415
Non-controlling interests	0	-2,115

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

	30/06/2023	31/12/2022
	EUR thousands	EUR thousands
Assets		
Non-current assets	53,413	44,961
Tangible assets	34,558	37,983
Intangible assets	528	629
Investment in companies accounted for under the equity method	12,766	0
Other participating interests	12	12
Other financial assets	5	5
Other assets	630	642
Deferred tax assets	928	928
Right of use pursuant to IFRS 16	3,986	4,762
Current assets	55,812	115,328
Inventories	12,916	12,258
Trade receivables	27,694	11,630
Contract assets	7,959	7,055
Tax receivables	1	3
Other financial assets	1,289	1,323
Other assets	1,790	2,291
Cash and cash equivalents	4,163	1,954
Assets held for sale	0	78,814
Total assets	109,225	160,289
Equity and Liabilities		
Equity	31,321	-8,791
Subscribed capital	9,664	9,664
Own shares	-24	-24
Capital reserves	24,353	21,779
Profit reserves	-2,672	-37,970
Equity attributable to shareholders of the parent company	31,321	-6,551
Non-controlling interests	0	-2,240
Non-current liabilities	47,058	49,076
Financial liabilities	22,975	24,250
Other financial liabilities	3,129	3,591
Provision for defined benefit pension plans	14,747	14,807
Trade payables	41	41
Other liabilities	2,564	2,672
Other provisions	1,076	1,229
Deferred tax liabilities	2,526	2,486
Current liabilities	30,846	120,004
Financial liabilities	3,243	4,994
Other current financial liabilities	1,422	1,577
Provision for defined benefit pension plans	970	970
Trade payables	16,341	13,364
Other liabilities	3,557	2,650
Liabilities from taxes	1,898	1,854
Other provisions	3,415	3,371
Liabilities associated with assets classified as held for sale	0	91,224
Total liabilities	77,904	169,080
Total equity and liabilities	109,225	160,289

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

	01/01- 30/06/2023 EUR thousands	01/01- 30/06/2022 EUR thousands
Operating activities		
Profit before tax	39,839	-15,740
Adjustments to reconcile earnings before taxes to net cash-flows:		
Financial income	-2	-6
Financial expenses	3,280	2,519
Depreciation and amortisation of tangible and intangible assets	3,535	6,119
Changes in group of consolidated companies	-46,901	0
Other non-cash income/expenses	-2,234	-238
Gains (-)/losses (+) from the disposal of property, plant and equipment and other non-current assets	-16	20
Changes in the provision for defined benefit pension plans (without changes recognised directly in equity)	-61	32
Change in other provisions	539	844
Payments received from government grants	0	291
Change in trade receivables and other assets	-11,546	694
Change in inventories	-1,259	-1,416
Change in trade and other payables	15,868	-3,509
Interest received	-2	-4
Paid / refunded taxes on income and revenue	41	-164
Cash flow from operating activities	1,081	-10,558
Investment activities		
Proceeds from sale of tangible assets	0	45
Payments to acquire tangible assets and intangible assets	-564	-11,281
Proceeds/payments from sale of investments	4,363	0
Cash flow from investing activities	3,799	-11,236
Financing activities		
Acquisition of non-controlling interests	0	10,586
Proceeds from equity contributions from other shareholders	0	12,980
Payments for the repayment of loans	-3,031	-8,283
Payments for the repayment of lease liabilities	-696	-951
Interest paid	-2,065	-2,239
Cash flow from financing activities	-5,792	12,093
Net change in cash and cash equivalents	-912	-9,701
Changes in cash and cash equivalents owing to exchange rates	454	71
Cash and cash equivalents at 1 January¹⁾	3,705	14,422
Cash and cash equivalents at 30 June	4,163	4,792

¹⁾ thereof reclassified in 2022 to assets held for sale EUR 1,751 thousand

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousands	Subscribed Capital	Own Shares	Capital reserve	Profit reserve
As of 1 January 2022^{*)}	9,664	-24	21,779	-23,084
Consolidated result				-14,112
Other income				2,696
Overall result				-11,416
Change in minority interests				8,077
Change in own shares				
Allocation to reserves			2,580	
Cash contribution				
As of 30 June 2022	9,664	-24	24,359	-26,424
As of 1 January 2023	9,664	-24	21,779	-37,970
Consolidated result				37,117
Other income				-2,075
Overall result				35,042
Non-controlling interests				0
Changes in group of consolidated companies			2,575	336
Other changes				-80
As of 30 June 2023	9,664	-24	24,354	-2,672

^{*)} Correction according to IAS 8 in 2021

included in profit reserves:

	Profit/(Loss) on remeasuring defined benefit pension plans and comparable obligations	Fair value reserve	Currency translation difference	Consolidated result (attributable to shareholders of SEAG)	Equity attributable to shareholders of the parent company	Minority interests	Equity
	-5,641	274	-379	-65,144	8,335	0	8,335
				-14,112	-14,112	-1,960	-16,072
	2,339		357		2,696	-155	2,541
	2,339	0	357	-14,112	-11,416	-2,115	-13,531
				8,077	8,077	-8,077	0
					0		0
					2,580	541	3,121
						7,500	7,500
	-3,302	274	-22	-71,179	7,575	-2,151	5,424
	-1,246	274	1,839	-86,645	-6,551	-2,240	-8,791
				37,117	37,117	-1,521	35,596
			-2,075		-2,075	43	-2,032
	0	0	-2,075	37,117	35,042	-1,478	33,564
				0	0	3,718	3,718
				336	2,911	0	2,911
				-80	-80	0	-80
	-1,246	274	-236	-49,272	31,321	0	31,321

NOTES TO THE CONSOLIDATED 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 a.M. and Stuttgart.

The condensed consolidated financial statements of the Schweizer Group for the first six months of 2023 were prepared and approved for publication by the Executive Board on 2 August 2023.

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. The interim group management report and interim consolidated financial statements as at 30 June 2023 have not been reviewed or audited within the meaning of section 317 of the German Commercial Code (HGB).

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 2022.

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 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 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.

The condensed consolidated financial statements have been prepared under the going concern assumption. For further explanations on this topic, please refer to the “Opportunity & Risk Report” section of the interim Group management report.

2. SUMMARY OF MATERIAL ACCOUNTING PRINCIPLES

Scope of consolidation

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

Number of fully consolidated companies	31 December 2022	Included for the first time in the financial year 2023	Eliminated in the financial year 2023	30 June 2023
National	1	0	0	1
International	4	0	1	3
Total	5	0	0	4

In the first half of 2023, the Chinese subsidiary Schweizer Electronic (Jiangsu) Co., Ltd. left the scope of consolidation, further information can be found under section 4.10 and section 4.12.

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	
	30 June 2023	31 December 2022	1st HY 2023	1st HY 2022
EUR				
USD USA	1.0866	1.0666	1.0811	1.0939
CNY China	7.8983	7.3582	7.4897	7.0827
SGD Singapore	1.4732	1.4300	1.4443	1.4925

Accounting and valuation principles

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 2022, which were described in detail from page 131 of the 2022 Annual Report.

3. NOTES TO THE CONSOLIDATED INTERIM INCOME STATEMENT

3.1 Sales revenue

Sales revenue is divided as follows:

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR million	EUR million
By field of activity		
Metallised circuits	9.3	7.3
Non-metallised circuits	1.3	3.1
Multilayer/HDI	57.4	53.4
Other	0.7	0.8
	68.7	64.6
By region		
National	33.5	30.0
Europe (excl. Germany)	15.6	11.7
America	5.9	3.3
Asia	13.3	19.5
Other countries	0.4	0.1
	68.7	64.6

3.2 Other operating income

Other operating income is comprised as follows:

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR thousands	EUR thousands
Waste revenues	574	620
Currency gains	1,028	1,125
Income from the reversal of provisions	139	1
Income from the reversal of specific valuation allowances	0	260
Income from subsidies	23	291
Income from the deconsolidation of subsidiaries	46,901	0
Other income	341	238
Total	49,006	2,535

Income from deconsolidation of the Chinese subsidiary amounts to EUR 46,901 thousand. This mainly results from the derecognition of assets and liabilities in the amount of EUR 32,649 thousand, the residual value of the remaining shareholding in the amount of EUR 13,657 thousand, the purchase price received in the amount of EUR 4,362 thousand, less the share of non-controlling interests in the amount of EUR 3,767 thousand.

3.3 Other operating expenses

Other operating expenses are composed as follows:

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR thousands	EUR thousands
Currency losses	991	1,102
Losses on receivables	24	120
Other expenses	354	38
Total	1,369	1,260

3.4 Financial income

Financial income is made up as follows:

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR thousands	EUR thousands
Other interest and similar income	2	6

3.5 Financial expenses

Financial expenses are made up as follows:

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR thousands	EUR thousands
Interest paid	2,063	2,194
Earnings from financial assets accounted for using the equity method	891	0
Other interest and similar expenses	324	325
Total	3,278	2,519

The interest paid is attributable to the local investment loan for the Jintan site in the amount of EUR 1,023 thousand (2022: EUR 1,478 thousand) and to interest for other financial liabilities in the amount of EUR 1,040 thousand (2022: EUR 716 thousand). The loans at the Schramberg site have variable interest rates, which resulted in an increased interest charge in the first half of 2023. Financial expenses also include the result of the deficit attributable to Schweizer Electronic (Jiangsu) Co., Ltd. in May and June using the at-equity method. with EUR -891 thousand.

3.6 Personnel expenses

Personnel expenses are made up as follows:

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR thousands	EUR thousands
Wages and salaries	17,795	20,483
Social security costs	3,190	3,748
Pensions	349	408
Total	21,334	24,639

3.7 Taxes on income and earnings

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

	1 January to 30 June 2023	1 January to 30 June 2022
	EUR thousands	EUR thousands
Current taxes related to the reporting period	167	85
Taxes on income from other periods	2,515	24
Expenses from deferred taxes	40	223
Deferred tax assets	0	0
Total	2,722	332

The income taxes relating to other periods in the reporting period include a provision for an expected tax burden from the other incentives granted at the Jintan site.

The expense for deferred taxes includes temporary differences between the tax balance sheet and IFRS consolidated balance sheet.

A change in the assumptions and estimates of the use of tax loss carryforwards of Schweizer Electronic (Jiangsu) Co., Ltd. did not occur as at 30 June 2023. Accordingly, no income from deferred tax assets on loss carryforwards was taken into account.

With regard to the assumptions made, we refer to pages 142 et seqq. of the 2022 Annual Report.

3.8 Earnings per share

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

	1 January to 30 June 2023	1 January to 30 June 2022
Earnings attributable to holders of ordinary shares of the parent company (in EUR thousand)	37,117	-14,112
Weighted average number of ordinary shares	3,770,713	3,770,713
Earnings per share in EUR	9.84	-3.74

4. NOTES TO THE CONSOLIDATED INTERIM BALANCE SHEET

4.1 Tangible and intangible assets

Additions to the assets under construction at the Schramberg site amounted to EUR 342 thousand in the first half of the year (31 December 2022: EUR 525 thousand) resulting from advance payments made.

4.2 Financial assets accounted for using the equity method

Following the acquisition of the majority of the shares in Schweizer Electronic (Jiangsu) Co., Ltd. and the capital increase by the majority shareholder, Schweizer Electronic AG maintains a participation rate of 20 percent. Due to the significant influence, this investment is recognised as an investment in an associate. At-equity accounting was carried out on the reporting date of deconsolidation and developed as follows:

	Shares in associated companies EUR thousands
As of 31 December 2022	0
Access	13,657
Earnings from financial assets accounted for using the equity method	-891
Overall result	-891
As of 30 June 2023	12,766

The fair value of the remaining investment of EUR 13,657 thousand was determined on the basis of a discounted cash flow model.

4.3 Other assets

Other financial assets are comprised as follows:

	30 June 2023 EUR thousands	31 December 2022 EUR thousands
Vendors with debit balances	5	33
Financial receivables	1,116	1,122
Miscellaneous other financial assets	173	173
Total other financial assets	1,294	1,328
Non-current	5	5
Current	1,289	1,323

The financial receivables result from a measure to optimise working capital from the area of receivables management.

Other assets are comprised as follows:

	30 June 2023	31 December 2022
	EUR thousands	EUR thousands
Turnover tax claims from investments	0	92
Receivables from government grants	43	3,352
Prepayments and accrued income	1,844	1,265
Receivables from tax refunds	469	444
Miscellaneous other assets	64	2,193
Total other assets	2,420	7,346
Non-current	630	642
Current	1,790	6,704*

* thereof reclassified to assets held for sale EUR 4,412 thousand

4.4 Financial liabilities

Financial liabilities as of 30 June 2023 exclusively include bank loans in the amount of EUR 26,218 thousand (31 December 2022: EUR 91,391 thousand, of which EUR 62,147 thousand are reclassified to liabilities in connection with assets held for sale).

The change in financial liabilities as at 30 June 2023 mainly resulted from repayments of loans from Schweizer Electronic AG amounting to EUR 1,963 thousand.

4.5 Other financial liabilities

Other financial liabilities are comprised as follows:

	30 June 2023	31 December 2022
	EUR thousands	EUR thousands
Lease liabilities	4,431	9,262
Derivatives with negative market value	83	39
Miscellaneous other financial liabilities	37	68
Total other financial liabilities	4,551	9,369
Non-current	3,129	7,138*
Current	1,422	2,231*

* of which EUR 3,547 thousand are reclassified to liabilities in connection with assets held for sale in the long term, EUR 654 thousand in the short term

4.6 Provision for defined benefit-oriented pension plans

The development of the defined benefit pension plan provision was simulated on the basis of unchanged financial and demographic assumptions (see page 168 et seqq. of the 2022 Annual Report). As at the reporting date, there was a provision of EUR 15,717 thousand (31 December 2022: EUR 15,777 thousand).

4.7 Other provisions

Other provisions are comprised as follows:

	30 June 2023	31 December 2022
	EUR thousands	EUR thousands
Obligations vis-à-vis employees	1,568	1,632
Guarantees	493	493
Additional provisions	2,430	2,475
Total	4,491	4,600
Non-current	1,076	1,229
Current	3,415	3,371

The obligations to employees include holiday entitlements of employees amounting to EUR 814 thousand (31 December 2022: EUR 229 thousand) and provisions for obligations arising from a works agreement for partial retirement provisions, which amounted to EUR 508 thousand as at the reporting date (31 December 2022: EUR 603 thousand), the chargeable reinsurance credit is EUR 313 thousand (31 December 2022: EUR 310 thousand). Furthermore, provisions for time credits of EUR 523 thousand (31 December 2022: EUR 545 thousand) and outstanding anniversary bonuses of EUR 37 thousand (31 December 2022: EUR 42 thousand).

Provisions in connection with the restructuring for severance payments amount to EUR 130 thousand (31 December 2022: EUR 130 thousand).

Other provisions mainly include costs for outstanding cost accounting amounting to EUR 413 thousand (31 December 2022: EUR 196 thousand), costs in connection with the 2022 and 2023 annual financial statements amounting to EUR 316 thousand (31 December 2022: EUR 421 thousand), for Supervisory Board remuneration of EUR 90 thousand (31 December 2022: EUR 180 thousand).

4.8 Trade and other payables

The increase in trade payables to EUR 16,382 thousand (31 December 2022: EUR 37,455 thousand, of which EUR 24,050 thousand were reclassified to liabilities in connection with assets held for sale) resulted mainly from the increase in liabilities in connection with the trading business at the Singapore site.

Other liabilities are comprised as follows:

	30 June 2023	31 December 2022
	EUR thousands	EUR thousands
Liabilities from salary and wage accounting	1,946	2,088
Liabilities from other taxes	1,295	1,128
Upfront liability	545	588
Miscellaneous other liabilities	2,335	2,343
Total other liabilities	6,121	6,147
Non-current	2,564	2,672
Current	3,557	3,475*

* of which EUR 826 thousand are reclassified to liabilities associated with assets held for sale in the short term.

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 2023.

The upfront liability is based on a deferred payment receipt for anticipated price discounts from a supplier (upfront payment) of EUR 545 thousand (31 December 2022: EUR 588 thousand).

4.9 Additional information concerning financial instruments

30 June 2023

in EUR thousands	Fair value	1st level	2nd level	3rd level	at amortised cost	not within the scope of IFRS 7	Carrying amount
Assets							
Participating interests	12,778			12,778			12,778
Trade receivables	27,694				27,694		27,694
Other non-derivative financial assets	1,294				1,294		1,294
Cash and cash equivalents	4,163				4,163		4,163
Liabilities							
Financial liabilities	26,253				26,253		26,218
Trade payables	16,382				16,382		16,382
Other derivative financial liabilities	83		83				83

31 December 2022

in EUR thousands	Fair value	1st level	2nd level	3rd level	at amortised cost	not within the scope of IFRS 7	Carrying amount
Assets							
Participating interests	12			12			12
Trade receivables	17,316				17,316		17,316
Other non-derivative financial assets	1,328				1,328		1,328
Cash and cash equivalents	3,705				3,705		3,705
Liabilities							
Financial liabilities	91,496				91,391		91,391
Trade payables	37,455				37,455		37,455
Other derivative financial liabilities	31		31				31

4.10 Contingent liabilities and legal disputes

Following the acquisition of the majority shares, the majority shareholder re-attributed all long-term financial liabilities of Schweizer Electronic (Jiangsu) Co., Ltd.. As a result, the soft letter of comfort issued to the banking syndicate of the Industrial and Commercial Bank of China in connection with the project financing expired.

The other contingent liabilities and legal disputes of the SCHWEIZER Group have not changed compared to the consolidated financial statements for 2022.

4.11 Significant divestments

With the approval of the shareholders' meeting of WUS Printed Circuit (Kunshan) Co., Ltd. with its headquarters in Kunshan, China ("WUS"), around 57% of the shares in Schweizer Electronic (Jiangsu) Co., Ltd. were transferred, with the result that the company is excluded from the scope of consolidation of the Group. A purchase price of CNY 33.4 million (EUR 4.4 million) was paid by the majority shareholder for the acquisition of the majority shares.

The divestments made by Schweizer Electronic AG in the first half of the year had the following effects:

Assets and liabilities disposed of	30 June 2023	31 December 2022*
	EUR thousands	EUR thousands
Intangible assets	785	1,315
Tangible assets	60,705	62,936
Inventories	2,559	2,714
Trade receivables	2,814	5,686
Other assets	2,412	4,412
Cash and cash equivalents	0	1,751
Assets sold	69,275	78,814
Long-term liabilities to credit institutions	60,111	62,147
Other financial liabilities	9,087	826
Trade payables	28,723	24,050
Other liabilities	4,003	4,201
Debt sold	101,924	91,224
Net assets sold	32,649	12,410

* reported in December 2022 as assets held for sale or as liabilities related to assets held for sale

4.12 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 from 01/01 to 30/06/2023.

	Transaction values		Balances outstanding on 30 June	
	2023	2022	2023	2022
	EUR thousands	EUR thousands	EUR thousands	EUR thousands
Sale of goods	523	5,610	114	1,816
Purchase of goods	14,294	10,906	9,508	7,466
Other services	4	24	0	0

A company controlled by a member of the Supervisory Board, WUS Printed Circuit (Kunshan) Co., Ltd., acquired the majority of shares in Schweizer Electronic (Jiangsu) Co., Ltd. in April.

4.13 Shareholdings as at 30 June 2023

Name	Headquarters	Equity share (in percent)
Fully consolidated subsidiaries		
Schweizer Pte. Ltd.	Singapore	100.0
Schweizer Electronic Singapore Pte. Ltd.	Singapore	100.0
Unterstützungskasse Christoph Schweizer e.V. (provident fund)	Schramberg, Germany	100.0
Schweizer Electronic Americas Inc.	New Castle, USA	100.0
Equity investment		
Schweizer Electronic (Jiangsu) Co., Ltd.	Jiangsu, China	20.0
Other participating interests		
SCHRAMBERGER WOHNUNGSBAU GmbH	Schramberg, Germany	1.3

With the approval of the shareholders of WUS Printed Circuit (Kunshan) Co., Ltd. with registered offices in Kunshan/China ("WUS") for the share transfer agreement, the majority of shares in Schweizer Electronic (Jiangsu) Co., Ltd. were transferred on 13 April 2023. As a result, the proportion of shares held by Schweizer Electronic AG fell from around 87% to 30%. In the course of the capital increase carried out by the majority shareholder, 20% remains in the possession of Schweizer Electronic AG.

5. EVENTS AFTER THE REPORTING PERIOD

With effect from 17 July 2023, the founding of the trading company Schweizer Trading (Suzhou) Co. Ltd., China became legally binding. This is a wholly-owned subsidiary of Schweizer Pte. Ltd.

There were no other significant reportable events after the balance sheet date as at 30 June 2023.

Schramberg, 2 August 2023

Schweizer Electronic AG

The Executive Board

Nicolas-Fabian Schweizer
Chairman of the Executive Board

Marc Bunz
Chief Financial Officer

DECLARATION BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for half-yearly reporting, the consolidated interim annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group interim management report includes a true and fair view 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 in the remainder of the financial year.

Schramberg, 2 August 2023

The Executive Board

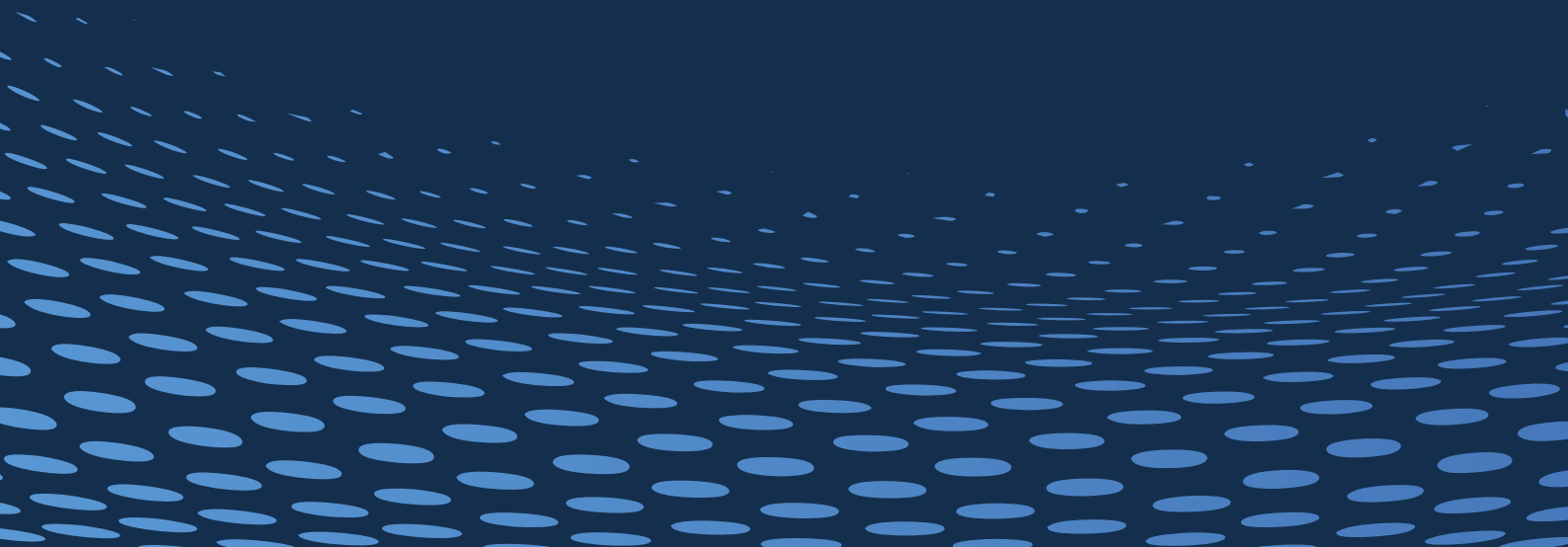


Nicolas-Fabian Schweizer
Chairman of the Executive Board



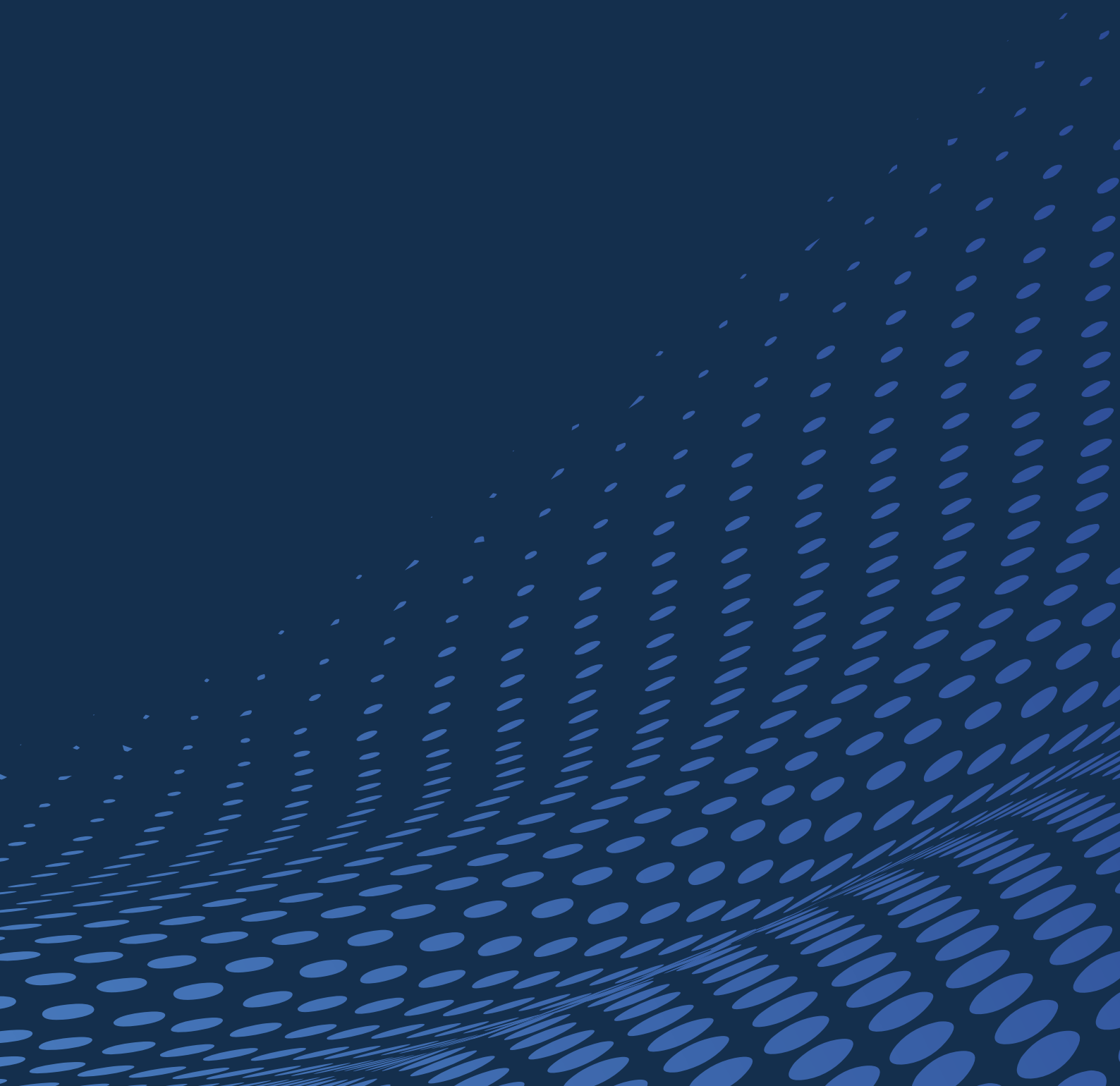
Marc Bunz
Chief Financial Officer

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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 Group is also referred as SCHWEIZER.

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

In this report, Schweizher Electronic (Jiangsu) Co., Ltd. is also referred to as SCHWEIZER China or Chinese subsidiary.

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

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

Picture credits

Abstract Waving Particle Technologie, p. 01, 04, 05, 09, 10, 11, 25, 26, 27, 48, 49, 52
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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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