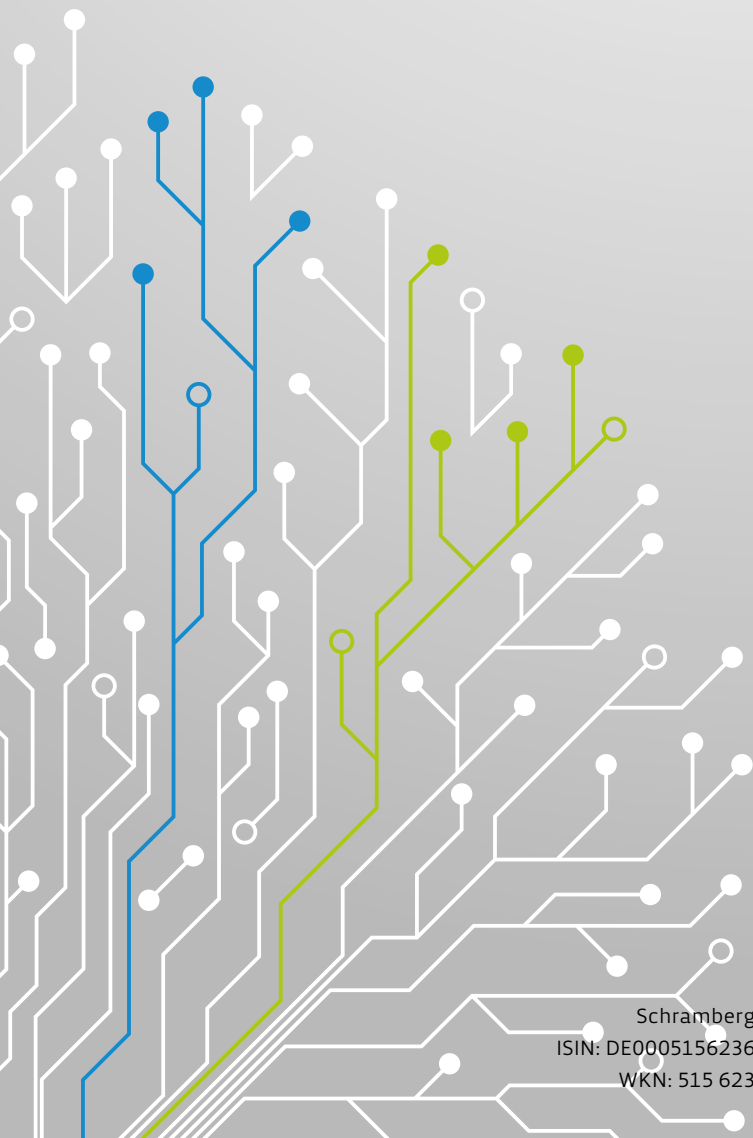




SCHWEIZER  
ELECTRONIC

## Invitation to the Annual General Meeting 2020



Schramberg  
ISIN: DE0005156236  
WKN: 515 623

Schweizer Electronic Aktiengesellschaft

Schramberg

ISIN: DE0005156236

WKN: 515 623

## INVITATION TO THE 31ST ANNUAL GENERAL MEETING

We would hereby like to invite our shareholders to the Annual General Meeting to be held on

**Friday, 26 June 2020, at 10 a.m.**

which will be held exclusively as a **virtual Annual General Meeting** without the possibility of the shareholders or their proxies attending in person.



**Online Annual Report 2019**

Please find our Annual Report here:

[www.schweizer.ag/en/investor-relations/annual-report.html](http://www.schweizer.ag/en/investor-relations/annual-report.html)

## AGENDA

### I. Virtual Annual General Meeting without the physical presence of shareholders or their proxies

In light of the current COVID-19 pandemic, the Executive Board has decided, in accordance with Section 1 Paragraph 1 and Paragraph 2 of the Act on measures to combat the effects of the COVID-19 pandemic (“**COVID-19 Act**”), to hold the Annual General Meeting without the physical presence of shareholders or their proxies as a virtual annual general meeting and to enable shareholders to exercise their voting rights by means of electronic communication as well as by proxy. The entire Annual General Meeting will be broadcast on the password-protected online portal for the Annual General Meeting (“**Online Portal**”) at

[investor.computershare.de/schweizerelectronic?plang=de](https://investor.computershare.de/schweizerelectronic?plang=de)

in video and audio.

The effects of conducting this year’s Annual General Meeting without the physical presence of shareholders or their proxies will be explained in further detail in Section III. of this invitation.

### II. Agenda and proposed resolutions on the agenda

#### 1. Presentation of the prepared annual financial statements of Schweizer Electronic AG, the approved consolidated financial statements, the Group status report for Schweizer Electronic AG and the Group as of 31 December 2019 including the explanatory report of the Executive Board regarding the information pursuant to Section 289a Paragraph 1, 315a Paragraph 1 of the German Commercial Code and the report of the Supervisory Board for the 2019 financial year

The aforementioned documentation as well as the summarised separate non-financial report for the company and the Group and the Executive Board’s proposal for the appropriation of net profit are available on the Internet from the date the invitation to the Annual General Meeting is published at

[www.schweizer.ag/de/investorrelations/hauptversammlung.html](https://www.schweizer.ag/de/investorrelations/hauptversammlung.html)

Upon request, this documentation will be sent to each shareholder immediately and free of charge.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements. The annual financial statements are thereby adopted. A resolution of the Annual General Meeting regarding this agenda item is therefore not required.

## **2. Resolution regarding the appropriation of net profit**

The Executive Board and Supervisory Board hereby propose that the net profit of EUR 3,251,412.53 reported in the company's annual financial statements as of 31 December 2019 be retained in full.

## **3. Resolution granting discharge to the members of the Executive Board**

The Supervisory Board and the Executive Board propose that the members of the Executive Board in office be discharged for the performance of their duties in the 2019 financial year.

## **4. Resolution granting discharge to the members of the Supervisory Board**

The Executive Board and the Supervisory Board propose that the members of the Supervisory Board in office be discharged for the performance of their duties in the 2019 financial year.

## **5. Election of the auditor and Group auditor for the 2020 financial year and the auditor for any review of interim financial information**

The Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as the auditor and Group auditor for the 2020 financial year and for any review of the condensed financial statements and interim management report contained in the half-year financial report as of 30 June 2020, as well as for any review of additional financial information during the year within the meaning of Section 115 Paragraph 7 WpHG, provided that such a review is executed before the next Annual General Meeting.

The Supervisory Board's proposal is free of any undue influence by third parties. No arrangements were made that would have limited

the options for selecting a particular auditor or audit firm to perform the audit.

## **6. Amendment to Article 15 of the Articles of Association (attendance of the Annual General Meeting, exercise of voting rights, proxy)**

Article 15 Paragraph 4 of the Articles of Association is to be supplemented by an authorisation to broadcast the Annual General Meeting in video and audio. The objective here is to expand the company's ability to utilise modern communication channels.

Against this background, the Executive Board and the Supervisory Board propose the following resolution:

Article 15 Paragraph 4 of the Articles of Association is to be supplemented by a new sub-paragraph c) and revised as follows:

*“(4) The Executive Board is authorised to:*

- a) provide for shareholders to attend the Annual General Meeting without being present at the venue and without appointing a proxy, and to exercise all or part of their rights by electronic means; the Executive Board is authorised to adopt provisions regarding the extent of electronic participation at the Annual General Meeting and the procedure, which must be made known when the Annual General Meeting is convened;*
- b) provide that shareholders may cast their votes without attending the Annual General Meeting, in writing or by electronic means (postal vote); the Executive Board is authorised to adopt provisions for the postal vote procedure, which must be made known when the Annual General Meeting is convened; and/or*
- c) provide for the full or partial video and audio broadcast of the Annual General Meeting in a manner to be specified by it. The details shall be disclosed when the Annual General Meeting is convened.”*

### III. Additional details and information regarding the Annual General Meeting

#### 1. Prerequisites for attendance of the virtual Annual General Meeting and exercising voting rights

In accordance with Section 1 Paragraph 2 of the COVID-19 Act, the Annual General Meeting will be held exclusively as a virtual Annual General Meeting without the physical presence of shareholders or their proxies in the presence, among others, of a notary responsible for the minutes at the company's premises at Einsteinstrasse 10, 78713 Schramberg. **Shareholders or shareholder representatives will therefore not attend the Annual General Meeting in person.** Shareholders can exercise their voting rights by electronic means as well as by issuing proxies. The entire Annual General Meeting will be broadcast in video and audio on the online portal.

All shareholders who are entered in the company's share register and have registered for the Annual General Meeting by no later than **midnight (24:00) on Friday, 19 June 2020**, will be entitled to participate at the Annual General Meeting and to exercise their voting rights.

In accordance with Section 67 Paragraph 2 Sentence 1 of the AktG (German Stock Corporation Act), in relation to the company, only a person who has been registered as such in the share register shall be deemed a shareholder. Accordingly, the number of shares entered in the share register on the day of the Annual General Meeting will be decisive for exercising attendance and voting rights. For technical reasons, however, no amendments to the share register will be implemented in the period from **0.00 on 20 June 2020** until the end of the Annual General Meeting. The registration status of the share register on the day of the Annual General Meeting will therefore correspond to the status as at the end of the closing date for registration. The technical record date is therefore **19 June 2020, midnight (24:00)**.

Registration for the Annual General Meeting does not constitute a restriction on the sale, disposal or retention of the shares. Shareholders may therefore continue to freely retain or dispose of their shares even after having registered for the Annual General Meeting. Even in the event of the complete or partial sale of the shareholding after registration for the Annual General Meeting, only the information contained in the share register on the day of the Annual General Meeting will be decisive for the right to attend the Annual General Meeting and

to exercise voting rights. Since only those persons who are entered as such in the share register on the day of the Annual General Meeting are deemed to be shareholders of the company, purchasers of shares whose transfer applications are received by the company after the technical record date may not exercise attendance rights, voting rights and other rights arising from these shares, unless they are authorised to do so by the seller. Purchasers of shares in the company who have not yet been entered in the share register will therefore be requested to submit transfer applications as soon as possible.

Registration for the Annual General Meeting must be submitted to the company in text form at the following address

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or fax: +49 89 30903-74675

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Registration must be made by the deadline so that shareholders can exercise their voting rights via the online portal at [investor.computershare.de/schweizerelectronic?plang=de](https://investor.computershare.de/schweizerelectronic?plang=de). Shareholders will receive the access data required to use the online portal together with the registration documents by post. The online portal can also be accessed at [www.schweizer.ag/de/investorrelations/hauptversammlung.html](https://www.schweizer.ag/de/investorrelations/hauptversammlung.html).

## 2. Exercising voting rights by proxy or by postal vote

### a) Exercise of voting rights by proxy

Shareholders may also have their voting rights exercised by a duly appointed proxy. Even if voting rights are exercised by proxy, registration for the Annual General Meeting by the deadline is still required.

The company shall also offer its shareholders the option to appoint an individual designated by the Company, who shall be bound to the shareholder's instructions. Registration for the Annual General Meeting must still be made according to the proper procedures in this case. The voting proxy appointed by the company shall only exercise the voting right on the basis of the instructions provided by the shareholder.

Without specific instructions from the shareholder, the voting proxy appointed by the company shall not be authorised to exercise voting rights. Nor shall the voting proxy appointed by the company accept requests to submit objections against Annual General Meeting resolutions or to ask questions.

The issuing of proxies and instructions, their revocation and proof of the proxy provided to the company must be in writing. A form for issuing a proxy (proxy form), and additional information shall be provided to shareholders who have registered by the deadline, after registration. Furthermore, a form which can be used when granting a proxy can also be accessed on the Internet at [www.schweizer.ag/de/investorrelations/hauptversammlung.html](http://www.schweizer.ag/de/investorrelations/hauptversammlung.html) and will also be sent to every shareholder immediately and free of charge upon request. The request must be addressed to:

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or fax: +49 89 30903-74675

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

If an intermediary (e.g. a bank), a shareholders' association, a voting rights advisor or a legal entity equivalent to same in accordance with Section 135 AktG is to be appointed as proxy, there is – in derogation to the aforementioned principle – no text form requirement, either in accordance with the law or in accordance with the company's Articles of Association. However, we wish to point out that in these cases the legal entities to be appointed as proxy may possibly require a special form of power of attorney, as they are obliged to verifiably record the power of attorney in accordance with Section 135 AktG. Shareholders who wish to appoint as proxy an intermediary (e.g. bank), a shareholders' association, a voting right consultant or another legal entity treated as such under Section 135 AktG should therefore consult with them regarding a possible formal requirement for the power of attorney.

Proxies, verifications of power of attorney as well as the issue or amendment of instructions to the voting rights representative appointed by the company must be sent to the company no later than **midnight (24:00) on Thursday 25 June 2020** at the following address:



SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or fax: +49 89 30903-74675

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders can also grant proxies to third parties and to the voting proxy appointed by the company via the website specified under III.1., using the online portal. Proxies, powers of attorney as well as issuing of instructions to the voting proxy appointed by the company may be transmitted, amended or revoked via the online portal, also after midnight (24:00) on 25 June 2020, until voting begins at the virtual Annual General Meeting.

If the shareholder authorises more than one person, then the company may, in accordance with Section 134 Paragraph 3 Sentence 2 AktG and in accordance with Article 15 Paragraph 5 Sentence 2 of the Articles of Association, reject one or more of those persons.

A bank may only exercise the voting right for shares which it does not own, although entered in the share register as a holder of such, on the basis of an authorisation from the shareholder.

#### b) Voting submission by postal vote

Shareholders may also exercise their voting right by postal vote. Timely registration is also required in the event of a postal vote. Authorised intermediaries (e.g. credit institutions), shareholders' associations, voting rights advisors or authorised legal entities treated as such in accordance with Section 135 of the AktG may also vote by postal vote.

Postal votes must be sent to the company by no later **than midnight (24:00) on Thursday 25 June 2020** at the following address:

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or fax: +49 89 30903-74675

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders may also cast, amend or revoke postal votes via the website set out in III.1 above using the online portal. Postal votes can be submitted, amended or revoked via the online portal, including after midnight (24:00) on 25 June 2020, until voting at the virtual Annual General Meeting begins.

### **3. Shareholders' rights in accordance with Sections 122 Paragraph 2, 126 Paragraph 1, 127 AktG and opportunities to ask questions via electronic communication**

#### **a) Motions for additions to the Agenda in accordance with Section 122 Paragraph 2 AktG**

Shareholders whose shares jointly amount to one-twentieth of the share capital (i.e. 189,000 shares) or the pro-rata amount of EUR 500,000.00 can request that items be placed on the Agenda and published pursuant to Section 122 Paragraph 2 AktG. Each new item must be accompanied by reasons or a draft resolution. The request must be addressed to the Executive Board in writing and received by the company no later than **midnight (24:00) on Tuesday 26 May 2020**. Please send such requests to the following address:

Schweizer Electronic AG  
Executive Board  
Einsteinstrasse 10  
78713 Schramberg, Germany

We shall publish any additional items received in accordance with Section 124 Paragraph 1 AktG by the deadline as long as they satisfy the legal requirements.

#### **b) Motions and nominations from shareholders**

In accordance with Section 126 Paragraph 1 AktG, shareholders are entitled to submit counter-motions to proposals made by the Executive Board and Supervisory Board regarding a specific Agenda item. In accordance with Section 127 AktG, shareholders are also entitled to submit nominations for the election of members of the Supervisory Board or for auditors.

The company shall make counter-motions as defined by Section 126 Paragraph 1 AktG, including the name of the shareholder and any comments by the administrator, available immediately upon receipt on the company's website at

[www.schweizer.ag/de/investorrelations/hauptversammlung.html](http://www.schweizer.ag/de/investorrelations/hauptversammlung.html)

if the counter-motion, together with the grounds, is received by the company no later than **midnight (24:00) on Thursday 11 June 2020** at the following address:

Schweizer Electronic AG  
Annual General Meeting  
Einsteinstrasse 10  
78713 Schramberg, Germany

or fax: +49 7422 512 397

or email: [ir@schweizer.ag](mailto:ir@schweizer.ag)

Counter-motions which are otherwise addressed will not be considered.

The company is entitled to not publish a counter-motion and grounds under the prerequisites specified in Section 126 Paragraph 2 AktG if e.g. the Executive Board would be criminally liable by reason of such communication become criminally liable or if the counter-motion would result in a resolution of the Annual General meeting which would be illegal or would violate the articles. The grounds for a counter-motion do not need to be made available if they exceed 5,000 characters in total.

The above provisions shall apply mutatis mutandis to nominations from shareholders in accordance with Section 127 AktG. However, shareholders need not provide grounds for nominations and these need not be published, except in the cases specified in Section 126 Paragraph 2 AktG, even if the nomination does not contain the details mentioned in Section 127 Sentence 3 in conjunction with Sections 124 Paragraph 3 Sentence 4, 125 Paragraph 1 Sentence 5 AktG.

By publishing counter-motions and/or nominations in accordance with the previously described measures, the company has hereby complied with its legal obligation according to Sections 126 Paragraph 1, 127 of the German Stock Corporation Act (AktG), since these provisions re-

main unaffected by the COVID-19 Act. However, we would like to point out that a vote on counter-motions or nominations at the virtual Annual General Meeting will **not be implemented** as these cannot be submitted at the virtual Annual General Meeting.

c) Possibility for shareholders to ask questions by using electronic communication channels

Shareholders will be given the possibility to ask questions by means of electronic communication in accordance with Section 1 Paragraph 2 Sentence 1 No. 3 and Sentence 2 of the COVID-19 Act. The Executive Board has stipulated that there will be no right for shareholders to ask questions at the virtual Annual General Meeting itself. Questions from shareholders should rather be **submitted** by no later than **midnight (24:00) on Wednesday June 24, 2020, only via email to: ir@schweizer.ag**. Questions received later will not be taken into account. A right to submit questions only exists for shareholders who are duly registered. By derogation from Section 131 AktG, the Executive Board will decide according to the level of obligation and at its own discretion which questions it will answer and how.

d) Objections to resolutions passed by the Annual General Meeting

Shareholders who have exercised their voting rights by postal vote or by proxy shall be granted the opportunity to object to a resolution of the Annual General Meeting in accordance with Section 1 Paragraph 2 Sentence 1 No. 4 of the COVID-19 Act. Declarations to this effect must be sent to the company at the

email address: ir@schweizer.ag

and can be made from the start of the virtual Annual General Meeting until its closure by the Chairman of the meeting. The declaration must also include a verification of shareholder status by indicating either the name, date of birth and address of the shareholder or the shareholder number.

#### **4. Information on the company's website in accordance with Section 124a AktG**

The information in accordance with Section 124a AktG regarding the Annual General Meeting can be found on the company's website at [www.schweizer.ag/de/investorrelations/hauptversammlung.html](http://www.schweizer.ag/de/investorrelations/hauptversammlung.html).

## 5. Total number of shares and voting rights at the time the Annual General Meeting is convened

At the time the Annual General Meeting is convened, the share capital of Schweizer Electronic AG in the amount of EUR 9,664,053.86 is divided into 3,780,000 no-par value registered shares, each carrying one vote. The total number of voting rights therefore amounts to 3,780,000 voting rights. At the time the Annual General Meeting is convened, the company holds 9,287 treasury shares, which do not confer it with any voting rights.

## 6. Data protection information

Your personal data will be processed for the purposes of maintaining the share register as prescribed by the German Stock Corporation Act, for communication with you as a shareholder as well as for implementing the virtual Annual General Meeting. Furthermore, your data will be utilised for related purposes and to fulfil other legal obligations (such as verification or retention obligations). Additional information regarding data protection can be found at <https://www.schweizer.ag/contacts/data-protection-statement/for-shareholders.html>. Schweizer Electronic AG will also send this information to you as a printed copy on request.

Schramberg, May 2020

Schweizer Electronic AG with registered office in Schramberg, Germany

The Executive Board

## FINANCIAL CALENDAR

Date	Publication/Event
2020-06-26	virtual Annual General Meeting
2020-08-07	Financial Report (half-year)
2020-11-06	Interim Report 3rd Quarter 2020

These dates and possible updates can also be found on the Internet page [www.schweizer.ag/en/investor-relations/financial-calendar.html](http://www.schweizer.ag/en/investor-relations/financial-calendar.html).

## KEY FIGURES

	2019	2018	Change in %
<b>SCHWEIZER-Group (IFRS)</b>			
Sales (EUR million)	120.7	125.3	-3.7
Order book (EUR million)	126.7	171.2	-26.0
Incoming orders (EUR million)	74.9	123.8	-39.5
EBITDA (EUR million) <sup>1)</sup>	0.1	9.2	n/a
EBITDA ratio (%)	0.1	7.3	
EBIT (EUR million) <sup>2)</sup>	-6.5	1.6	n/a
EBIT ratio (%)	-5.4	1.3	
Annual result (EUR million)	-5.6	0.5	n/a
EPS (EUR)	-1.48	0.14	n/a
<hr/>			
Total assets (EUR million)	228.9	135.3	69.2
Investments (EUR million)	92.0	7.5	n/a
Equity (EUR million)	55.2	63.0	-12.4
Equity ratio (%)	24.1	46.6	
Net gearing ratio (%)	60.7	-7.2	
Working Capital (EUR million)	-13.3	25.4	n/a
Cash flow from operating activities (EUR million) <sup>3)</sup>	5.3	6.0	-11.7
Employee (at year end) <sup>4)</sup>	805	814	1.1

1) EBITDA: Total operating profit + other operating income ./. Material costs ./. Personnel costs ./. Other operating expenses

2) EBIT: EBITDA ./. Depreciation of tangible and intangible assets

3) In previous years, interest paid was allocated to cash flow from operating activities. From financial year 2019, interest paid (2019: EUR 761 thousand / 2018: EUR 85 thousand) is shown under cash flow from financing activities. In order to make a year-on-year comparison easier, this change in recognition was also carried out for the comparative figure. Cash flow from operating activities is thus shown as EUR 85 thousand higher for the prior year 2018 than shown in the 2018 Annual Report.

4) Including temporary staff

**Shareholders' hotline**

Tel. +49 7422 512 302

**Schweizer Electronic AG**

Einsteinstraße 10  
78713 Schramberg  
Postfach 561  
78707 Schramberg  
Germany

[www.schweizer.ag](http://www.schweizer.ag)