



SCHWEIZER

ANNUAL REPORT 2024

FINANCIAL CALENDAR

Date	Veröffentlichung/Veranstaltung
28/04/2025	Financial statements for 2024
07/05/2025	Announcement 1st quarter 2025
27/06/2025	Annual General Meeting
08/08/2025	Half-yearly financial report as per 30/06/2025
07/11/2025	Announcement 3rd quarter 2025

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

KEY FIGURES

(in EUR millions)	2024	2023	Change in %
Revenue	144.5	139.4	3.7
Incoming orders	101.4	190.6	-46.8
EBITDA ¹⁾	-0.3	47.4	n/a
EBITDA ratio (%)	-0.2	34.0	-34.2pp
Adjusted EBITDA	-0.3	8.9 ²⁾	n/a
Adjusted EBITDA ratio (%)	-0.2	6.4 ²⁾	-6.6pp
EBIT ³⁾	-6.2	42.9 ⁴⁾	n/a
EBIT ratio (%)	-4.3	30.8 ⁴⁾	-35.1pp
Adjusted EBIT ³⁾	-6.2	4.3 ^{2/4)}	n/a
Adjusted EBIT ratio (%) ²⁾	-4.3	3.1 ^{2/4)}	-7.4pp
Annual result	-9.0	34.9 ⁴⁾	n/a
EPS (EUR)	-2.40	9.25 ⁴⁾	n/a
Cash flow from operating activities	7.0	9.9	-29.4
	31/12/2024	31/12/2023	
Order book	220.4	251.3	-12.3
Total assets	102.4	109.6 ⁴⁾	-6.6
Investments ⁵⁾	2.8	1.1	+>100
Equity	21.6	29.3 ⁴⁾	-26.4
Equity ratio (%)	21.1	26.7 ⁴⁾	-5.6pp
Net gearing ratio (%) ⁶⁾	62.8	56.5 ⁴⁾	6.3pp
Working capital	10.1	20.1	-49.5
Employees (at year-end)	522	583	-10.5

¹⁾ EBITDA: Total operating profit + Other operating income ./. Cost of materials ./. Personnel expenses ./. Other operating expenses

²⁾ Adjusted for the current result from January to April 2023 of Schweizer Electronic (Jiangsu) Co., Ltd., China, and the deconsolidation effect

³⁾ EBIT: EBITDA ./. Depreciation of tangible and intangible assets

⁴⁾ After adjustment in accordance with IAS 8

⁵⁾ Investment inflows according to the schedule of fixed assets

⁶⁾ Net debt ratio: (interest-bearing liabilities after deduction of cash and cash equivalents and short-term financial investments) / equity

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





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Power electronics as the key to the electric future – with innovative PCB solutions

Electrification is one of the key global transformation processes of the coming decades. The increasing demand for efficient energy conversion and control in industry, mobility and infrastructure places the highest demands on technological solutions – with power electronics at the centre.

Power electronics systems enable the precise control and low-loss conversion of electrical energy: from alternating current to direct current (AC <-> DC) to the adjustment of voltage levels (up, down, stabilise) and frequency conversion, for example in motor control systems. Without these conversions, we would neither be able to feed solar power into the grid nor operate electric motors efficiently.

That's why power electronics are found everywhere – from grid to nano: in PV inverters, smart grids, electric cars (battery management, drive inverters, chargers), in wind turbines, industrial control systems, in high power supply units for data centres and even household appliances.

It is therefore the interface between energy source, distribution and application. And it is the key to electromobility. In electric cars, power electronics make the difference: they convert the electricity from the battery into rotary drive, regulate recuperation and make fast charging possible in the first place. The global expansion of renewable energies, combined with the goal of climate-neutral energy flows, would not be possible without advanced power electronics components and systems.

Power electronics is therefore a key enabler of the sustainable transformation – across all applications and industries.

The continuous development of this key technology – for example through the use of wide-bandgap semiconductors such as silicon carbide (SiC) and gallium nitride (GaN) – unlocks significant potential for efficiency and miniaturisation. At the same time, the requirements for thermal management, electromagnetic compatibility and reliability are increasing.

Against this backdrop, modern PCB technologies play a decisive role in enabling and increasing the effectiveness of electronic components and systems. As a technology provider, we address this growing demand for high-performance, robust and application-specific optimised subsystems. We offer our industrial and automotive customers a comprehensive technology portfolio for power electronics – from copper-based inlay technologies to the embedding of SiC power semiconductors in the printed circuit board (Smart p² Pack / Chip Embedding).

Our expertise in the development, production and integration of printed circuit boards and modules for high-current and high-voltage applications positions us as a reliable partner along the entire electrical value chain.

Our technology portfolio for power electronics (industry): Market segments – Applications – Printed circuit board technology

Sector	Industry										
Segment	Power electronics in motor drives			Industrial power supply			Power transmission				
Application	Servo drives in industrial robots	Motor control for CNC-machines	Conveyor systems	Energy storage systems	Uninterruptible power supply	Switching systems	Power Supply	DC-DC Converter	Inverter		
PCB technology	Advanced Copper Inlay Technologies	Advanced Copper Inlay Technologies	Advanced Copper Inlay Technologies	Heavy Copper	Multilayer	Heavy Copper	Advanced Copper Inlay Technologies	Heavy Copper	Heavy Copper	Heavy Copper	Advanced Copper Inlay Technologies

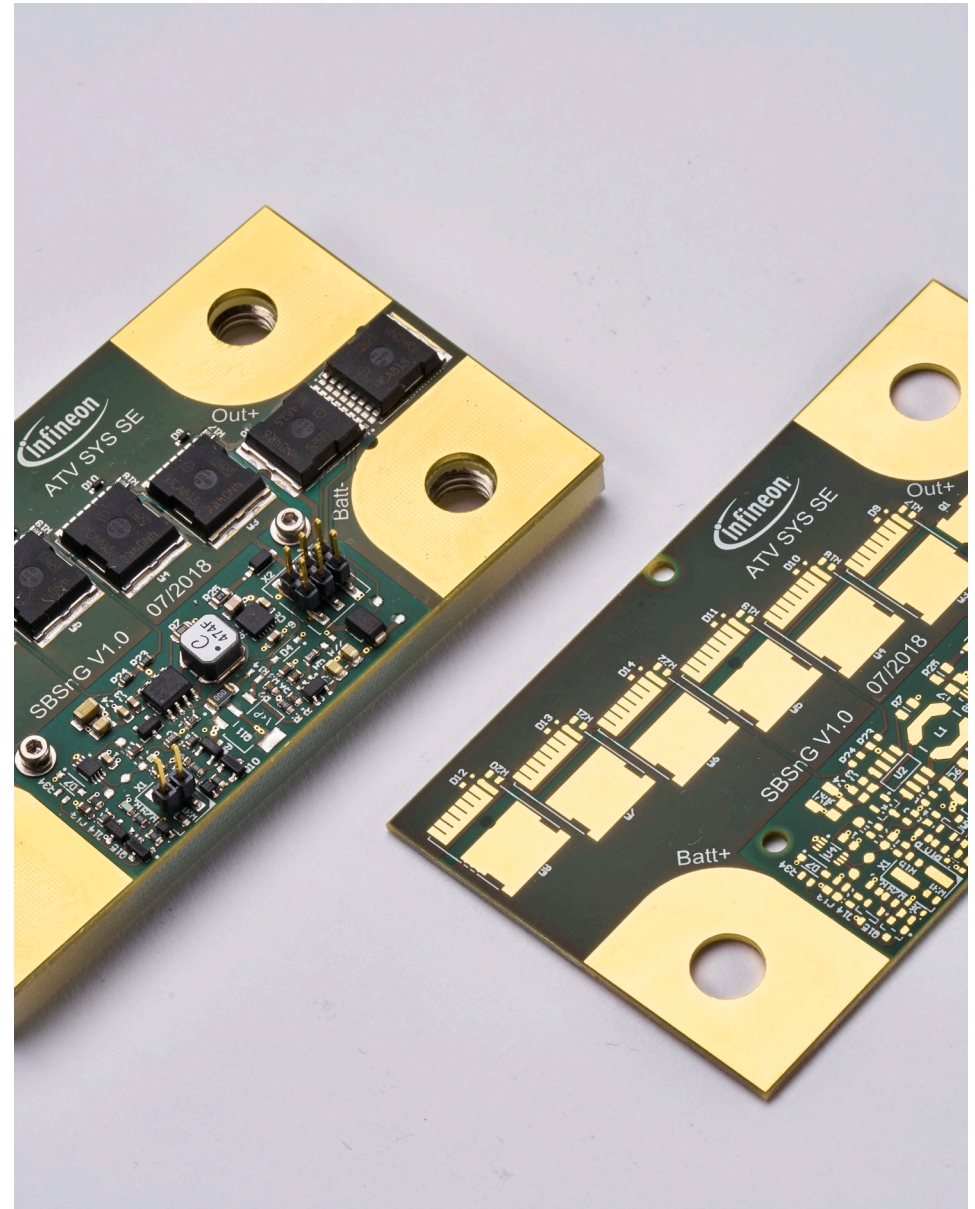
Our technology portfolio for power electronics (automotive): Market segments – Applications – Printed circuit board technology

Sector	Automotive Battery Electric Vehicle (BEC) / Hybrid Electric Vehicle (HEV)			
Segment	Drive systems			
Application	Power inverter	DC-DC Converter	Battery management systems	
PCB technology	Smart p ² Pack Chip Embedding	Advanced Copper Inlay Technologies	Multilayer	HDI

Our aim is to strengthen our customers' technological edge through our range of products and services. Our customised PCB solutions offer greater performance, higher efficiency and extended functionalities. Thanks to flexible production processes and comprehensive design expertise, we realise up to 10²⁷ individual PCB combinations – precisely tailored to the respective requirements for materials, structures and end applications. Our customers have ideas for new electrical products or digital systems. We help them to bring them to life.

For example, we supported an innovative manufacturer of servo motors in the development of an industry solution for industrial robots and automation. Based on our modern inlay technologies, our customer has succeeded in achieving a new level of power density and efficiency in servo motors. Efficiency was increased, heat generation was reduced and a higher overall performance achieved. At the same time, we were able to support our customer with our PCB technology to combine their highly integrated and ultra-compact designs with powerful functionality: the space requirement and number of components could be significantly reduced – making integrated motors reach the size of standard motors.

We support customers from the automotive industry in the electrification of their vehicles with our Smart p² pack technology, with which we embed power semiconductors directly into the printed circuit board. This simplifies the design of our customers' systems and improves the efficiency of high-power switching in electric vehicles. The bottom line is that car manufacturers and Tier 1 suppliers gain greater energy efficiency from their products. With lower energy consumption, the available capacity of each battery charge increases – which ensures in a slightly longer range of electric vehicles.



As a reliable development partner, we do not only supply the right PCB for power electronics and beyond – we also make an active contribution to global electrification and support our customers in operating in a more energy-efficient, powerful and future-proof manner.

This also includes scenarios in which our standard products are sufficient. Through our global network of production partners, we also offer PCBs and solutions for a wide range of applications and markets. The benefit for our customers: Thanks to our expertise, they can rely on our choice of partners, the design of the PCBs, the quality delivered and the order processing to meet our high standards. We take care of the PCBs – our customers concentrate on their products.

The decisive factor here is that we understand and can turn the sometimes highly complex requirements of our customers into reality. Whether through customised solutions or well-matched standard offers. We offer our customers the right solution they can rely on.

Our aim is to utilise the full potential of our PCBs – through higher efficiency with reduced energy requirements, faster electrical transmission for more responsive functions and smaller components for more compact products. To make our customers' ideas a reality, we continuously optimise the performance potential of our PCBs. For better products, for the electrification of our society.

SCHWEIZER.

More than PCBs.



LETTER FROM THE EXECUTIVE BOARD

Dear Shareholders,

The year 2024 was a year of light and shadow for Schweizer Electronic AG.

We started the year with great confidence and momentum. The production ramp-up of our embedding technology in Schramberg, which began in the previous year, as well as in our production joint venture in China, led to full operational capacity utilisation in Germany in the first quarter of 2024 to full operational capacity in Germany. The order backlog was promising. The strategic measures initiated in previous years also had the expected positive effect.

In the second quarter of the year, however, we experienced an abrupt and, for us, significant slowdown in the market for in-house production at the Schramberg site. The necessary countermeasures were initiated immediately. Thanks to the effective implementation of the Fab-Light strategy, i.e. the increased focus on the trading business, the sharp decline in in-house production was partially offset. Nevertheless, 2024 as a whole was a very challenging year for Schweizer Electronic AG.

Despite all the dynamic changes in global markets and political upheavals, we continue to see positive prospects for our company. The expansion into new market segments, such as the defence and security industry, has created new opportunities, particularly for in-house production in Germany. Even political developments that appear disadvantageous at first glance are creating new opportunities. For example, the US market, which we have been targeting for several years, has become significantly more attractive due to the significantly lower customs regime compared to Germany. We will continue to focus on this and address the opportunities that arise. US market,

which we have been addressing for several years, has become significantly more attractive due to the significantly lower customs regime compared to Germany. We will continue to focus on this area and address the opportunities that arise as a result. 2024 was a challenging year – 175 years of SCHWEIZER – and it also demanded a lot from our employees. With mindfulness, humility and diligence, our SCHWEIZER team once again showed how even unexpected changes can be mastered. We would like to express our sincere thanks for this.

We would also like to thank you, our shareholders. In this exciting year, you remained loyal to us and, through your actions, strengthened our employees and the entire management team.

The world around us will continue to present challenges for us in the 2025 financial year. Nevertheless, we are convinced that all employees of the company will successfully meet these challenges together.

We look forward to welcoming you to our Annual General Meeting in just a few weeks, on 27 June 2025, at our headquarters in Schramberg.

Yours sincerely,



Nicolas-Fabian Schweizer



Marc Bunz



Thomas Gottwald

Nicolas-Fabian Schweizer
Chief Executive Officer



Marc Bunz
Chief Financial Officer



Thomas Gottwald
Chief Technology Officer



REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

In the financial year 2024, our company was significantly affected by the upheavals in our key automotive and mechanical engineering sectors in Germany, Europe and as well in the rest of the world.

Ongoing geopolitical conflicts, trade policy uncertainties and highly volatile markets continue to determine the general conditions for our business. The successful turnaround in 2023 only led to a brief recovery.

Our employees, managers and the Executive Board have made every effort to overcome the continuing challenges. The entire Supervisory Board would like to express its special thanks to them. Schweizer Electronic AG must continue to assert itself in 2025 and devote all its energy to expanding its leading position as an innovative solution provider for all aspects of PCB manufacturing and semiconductor embedding solutions in a regulatory environment that remains difficult.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

The close cooperation between the Executive Board and the Supervisory Board continued in 2024. The Supervisory Board advised the Executive Board on all strategic decisions and continuously monitored its management of the company. In doing so, it was guided by the tasks assigned to it by law, the articles of association, rules of procedure and the German Corporate Governance Code.

The Executive Board informed the Supervisory Board regularly and comprehensively, both in writing and verbally, about all issues relevant to the company and the Group. In addition, the members of the Supervisory Board received detailed monthly reports on business developments between meetings. Various topics were discussed in detail at the meetings and in numerous informal discussions. Management decisions or measures that required the approval of the Supervisory Board due to regulatory requirements were submitted and reviewed in a timely manner and the necessary resolutions were passed.

The Supervisory Board had the opportunity to critically examine the reports and proposed resolutions of the Executive Board at any time. In doing so, it satisfied itself of the legality, expediency and proper execution of management activities.

MEETINGS AND RESOLUTIONS OF THE SUPERVISORY BOARD

At four regular meetings of the Supervisory Board in 2024, the Supervisory Board dealt with all issues relevant to the company and made the corresponding decisions; in addition, the Audit Committee passed a resolution by circular resolution. The Supervisory Board also met without the Executive Board when necessary. In 2024, the meetings of the Supervisory Board were in person, although the option of virtual participation was available. No conference calls were held.

The individual participation of the Supervisory Board members in the plenary meetings and the meetings of the Audit Committee:

	Member since	Supervisory Board plenum		Audit Committee	
		Meetings	Participation in %	Meetings	Participation in %
		(4, of which 4 in presence)		(2, of which 2 in presence)	
Dr Stefan Krauss Chairman	2021	4/4	100	2/2	100
Dr Harald Marquardt Deputy Chairman	2022	4/4	100	2/2	100
Dr Andreas Schumacher	2023	4 ¹⁾ /4	100	2 ¹⁾ /2	100
Chris Wu	2017	3 ²⁾ /4	75		
Jürgen Kammerer	2019	4/4	100		
Petra Gaiselmann	until 28 June 2024	1/1	100		
Markus Kretschmann	since 28 June 2024	3/3	100		

¹⁾ of which 1 in virtual participation

²⁾ thereof 3 in virtual participation

FINANCIAL AND INVESTMENT PLANNING; STRATEGY

Both at the meetings and through additional reports from the Management Board, the Supervisory Board regularly discussed the general business development, the financial and risk situation, the development of the various customer groups, the partner network and the existing compliance management system.

In the reporting year, another focus was on intensive consultation and discussion with management about the effects of increasingly complex challenges resulting from global political and economic events. In addition, market developments in the field of electronic components and the continuing deterioration of conditions in Germany as an industrial location due to excessive bureaucracy and persistently high cost pressure, which are having a negative impact on the company, were discussed.

The strategic development of the Group in the context of the adjustment of the business model (Fab Light Concept) regularly played a central role in the consultations. The strategy was discussed and agreed in detail with regard to sustainable competitiveness and the impact on the German site.

PERSONNEL AND REMUNERATION ISSUES

Personnel and remuneration issues were discussed openly and in detail by the Supervisory Board.

At the meeting on 19 April 2024, the appointment of Mr Thomas Gottwald as Chief Technology Officer and additional member of the Executive Board was approved. The new schedule of responsibilities for the members of the Executive Board was also approved at the June meeting.

In addition, the target achievement levels for the variable remuneration components of the Executive Board remuneration for 2023 were discussed and resolved. The targets for 2024 were also discussed and determined. In accordance with Section 162 Stock Corporation Law (AktG), the Supervisory Board prepared a remuneration report together with the Executive Board and submitted it to the auditor with the request for a formal audit. Details of the remuneration of the Executive Board and Supervisory Board can be found in the remuneration report which is available both in the annual report as a separate section and on the company's website at <https://schweizer.ag/investoren-und-medien/corporate-governance>.

IN ADDITION TO THE KEY TOPICS MENTIONED ABOVE, THE SUPERVISORY BOARD DEALT WITH THE FOLLOWING ISSUES IN PARTICULAR AT ITS MEETINGS:

On **19 April 2024** (balance sheet meeting), the members of the Supervisory Board were informed about the target achievement discussions held by the Audit Committee with the members of the Executive Board. The plenary meeting followed the recommendations of the Audit Committee and the corresponding resolution on the variable remuneration components MSTI and LTI for 2023 and the target agreements for 2024 was passed. The documents to be examined and the auditor's audit reports were made available to each member of the Supervisory Board for resolution at the meeting on 19 April 2024 and were forwarded to each member in good time for preparation. The Supervisory Board dealt in detail with the documents relating to the annual financial statements and the auditor's report by KPMG AG Wirtschaftsprüfungsgesellschaft. The auditors took part in the discussion of the annual and consolidated financial statements and reported in detail on the audits and their focal points. The audit results were discussed with the Supervisory Board and questions were answered satisfactorily. The Supervisory Board approved the results of the audits.

The remuneration report, the report of the Supervisory Board, the corporate governance statement and the non-financial report were also discussed and approved by the plenary session. Another topic at this meeting was the form of the upcoming Annual General Meeting and its agenda. The Board agreed that the Annual General Meeting should once again be held in person. The Supervisory Board also dealt with the election proposals for the seats of two Supervisory Board members that will become vacant at the Annual General Meeting. The plenary session voted unanimously in favour of Dr Andreas Schumacher, Mr Chris (Chuan Pin) Wu and Ms Jacqueline (Pi Hsia) Chu being proposed for election at the Annual General Meeting as his substitute member.

Following the Annual General Meeting, the Supervisory Board meeting in its new composition took place on **28 June 2024**. In addition to the Supervisory Board members confirmed by the Annual General Meeting, Dr Andreas Schumacher and Mr Chris (Chuan Pin) Wu, this included the employee representative Mr Markus Kretschmann. The re-elected Supervisory Board member Dr Schumacher was re-elected to the Audit Committee by the Supervisory Board members at this meeting. The new schedule of responsibilities for the Executive Board was also discussed and approved.

At the meeting on **23 September 2024**, the discussions focused on the economic development of the market environment, the SCHWEIZER Group, the findings and prospects of the Fab-Light business model, the capacity utilisation situation at the Schramberg site and the effectiveness of the cost adjustment measures introduced here.

On **9 December 2024**, the Executive Board presented the budget planning for 2025 and the outlook for 2026 and 2027 in addition to the regular topics. The Supervisory Board approved the budget for 2025 and took note of the planning for subsequent

years. The capacity utilisation situation at the Schramberg site and the current status of cost adjustments were brought to the Board's attention and discussed with it. The plenary session also approved the updated declaration of conformity.

SELF-ASSESSMENT OF THE SUPERVISORY BOARD

The Supervisory Board regularly reviews and assesses its activities on an annual basis using an internal questionnaire. The last survey was conducted in September 2024. The results were discussed and no significant deficits were identified. The Supervisory Board considers its activities and those of its committee to be effective.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has formed an Audit Committee to increase its efficiency. The establishment of further committees is not considered appropriate or necessary due to the size and focus of the company. The tasks intended for further committees can be dealt with in this committee without any problems, provided they do not have to be dealt with by the Supervisory Board. The Supervisory Board is also informed of the results of the committee discussions.

KEY TOPICS IN THE AUDIT COMMITTEE

Two ordinary meetings of the Audit Committee were held in 2024.

The committee's activities focussed on the preliminary audit of the annual and consolidated financial statements and the combined management report for Schweizer Electronic AG and the SCHWEIZER Group as well as the discussion of the audit of the annual financial statements with the auditors. The Audit Committee and its Chairman regularly exchanged information with the auditors without the

Management Board as part of the preparation and execution of the audit and thus had the opportunity to monitor the quality of the audit.

It also prepared the service agreement and the appointment of Mr Thomas Gottwald as a member of the Executive Board for the Supervisory Board.

The Audit Committee prepared the remuneration report for the Supervisory Board together with the Executive Board and dealt with the audit of the non-financial reporting (including the EU taxonomy) and made the corresponding recommendations to the Supervisory Board. It also dealt with the half-year financial report prior to its publication.

The Audit Committee also received reports on the implementation and findings of the Group's risk management system and discussed its effectiveness. Another topic was the new CSRD (Corporate Sustainability Reporting Directive) sustainability reporting guidelines and their implementation status within the company.

In addition to the meetings, the committee's regular tasks include holding the annual target and review discussions with the Executive Board and discussing the targets and their achievement in preparation for the Supervisory Board meeting.

TRAINING MEASURES

The members of the Supervisory Board are responsible for the training and development measures required for their duties and are supported in this by the company.

PERSONNEL CHANGES ON THE SUPERVISORY BOARD

The mandates of the shareholder representatives Dr Andreas Schumacher and Mr Chris Wu and the employee representative Ms Petra Gaiselmann ended at the end of the Annual General Meeting on 28 June 2024. Both Dr Schumacher and Mr Wu stood for re-election at the Annual General Meeting and were confirmed in office with an overwhelming majority. The Supervisory Board would like to thank Ms Gaiselmann for her many years of trusting cooperation, her commitment to the company and her professional contributions. As Ms Gaiselmann's successor, Mr Markus Kretschmann has represented the interests of the employees on the Supervisory Board since the Annual General Meeting.

CORPORATE GOVERNANCE

At its December 2024 meeting, the Supervisory Board once again addressed the German Corporate Governance Code and adopted an updated declaration in accordance with Section 161 AktG. Further information on this and on corporate governance in general can be found in the corporate governance declaration, which is available both in the annual report as a separate section and on the company's website.

EXAMINATION OF POSSIBLE CONFLICTS OF INTEREST

The principles of good corporate governance are of great importance to the members of the Supervisory Board and the Executive Board. Against this background, the professional handling of conflicts of interest of individual Supervisory Board members is very important. Three members of the Supervisory Board hold management positions in companies with which SCHWEIZER has a business relationship. SCHWEIZER'S transactions with these companies are or were conducted on the terms of contracts with third parties. Further details can be found in the corporate governance declaration at <https://schweizer.ag/investoren-und-medien/corporate-governance>.

ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The auditing company KPMG AG audited the annual and consolidated financial statements prepared by the Management Board as well as the summarised management report for Schweizer Electronic AG and the Group for 2024. KPMG AG was elected as auditor by the Annual General Meeting on 28 June 2024 at the proposal of the Supervisory Board. Before the Supervisory Board proposed KPMG AG as auditor to the Annual General Meeting, KPMG AG confirmed to the Supervisory Board that there were no circumstances that could impair its independence as an auditor or give rise to doubts about its independence. Mr Martin Armbruster has signed as auditor and Mr Mathias Laubert as auditor responsible for the audit since the 2022 financial year.

The audits of the annual financial statements, consolidated financial statements and the summarised management report did not give rise to any objections. As a result of these audits, unqualified audit opinions were issued on 22 April 2025. The documents to be audited and the auditor's audit reports were made available to each member of the Supervisory Board for resolution at the meeting on 22 April 2025 and were sent to each member in good time for preparation. The auditor took part in the discussion of the annual and consolidated financial statements. He reported on the scope, focal points and key findings of the audits and was available to provide additional information. Following the final result of the audits by the Supervisory Board, no objections were raised. The Supervisory Board agrees with the result of the audit of both financial statements by the auditor, concurs with the assessment of the Management Board in its assessment of the situation of the Group and Schweizer Electronic AG and approves the annual financial statements and the consolidated financial statements as at 31 December 2024. The annual financial statements are thus adopted. The non-financial report to be prepared in accordance with the CSR Directive Implementation Act was reviewed by the Supervisory Board.

This report of the Supervisory Board to the Annual General Meeting was approved by the Supervisory Board.

We would like to thank the Executive Board and all of our employees for their commitment and constructive cooperation in another challenging financial year. We would also like to thank our shareholders for the trust they have placed in us.

Schramberg, 22 April 2025

For the Supervisory Board



Dr Stefan Krauss

Chairman of the Supervisory Board



THE SHARE

THE STOCK MARKET YEAR

After a surprisingly strong year-end rally in 2023, market participants look back on another turbulent but ultimately very successful stock market year in 2024. Geopolitical conflicts became more complex and continued to cause uncertainty. Numerous economic challenges had a strong impact the global markets. Weak consumption and stagnating industrial production in the eurozone fuelled fears of recession and were accompanied by only a slow decline in inflation. It was not until the second half of the year that long-awaited interest rate cuts provided encouragement and signalled economic stabilisation. The stock markets responded once again with surprisingly strong stock market and exceeded analysts' expectations. Thanks to high demand for digital solutions, tech and AI stocks achieved strong gains; major stock indices, gold and even bitcoins recently reached new record highs.

The German benchmark index, the **DAX**, stood at 19,909 points at the end of 2024 thus closed slightly below the 20,000-point mark. The leading index reached its all-time high on 13 December at 20,523 points. Over the year as a whole, the DAX gained 18.8 percent. This makes the index the top performer among the major European stock exchanges. The MDAX and SDAX fared significantly worse, as their members are generally much more dependent on the German economy. The **MDAX** lost over 5 percent over the year. The **SDAX** also ended the year with a negative result of just under 2 percent.

Gold is also among the winners of the trading year: the price of gold climbed by 26.8 percent over the year by 26.8 percent to currently 2,615.49 dollars per troy ounce. On the bond markets, the yield on ten-year German government bonds rose to 2.39 percent.

2024 was also a remarkable year for the cryptocurrency **Bitcoin**, driven by regulatory breakthroughs and political developments that market. The value of Bitcoin rose by 128 percent, breaking through the USD 100,000 barrier in December and leaving other asset classes far behind.

Investors are now looking ahead to 2025, which holds many challenges: 'America First', impending import tariffs, a realignment of the political landscape in Germany, the economic situation and further interest rate policy will influence the markets. The same applies to rapid technological advances. Whether the second and third tiers of the German stock market will be rediscovered for a change would be a scenario desired by many players.

SCHWEIZER ELECTRONIC SHARES ON THE CAPITAL MARKET

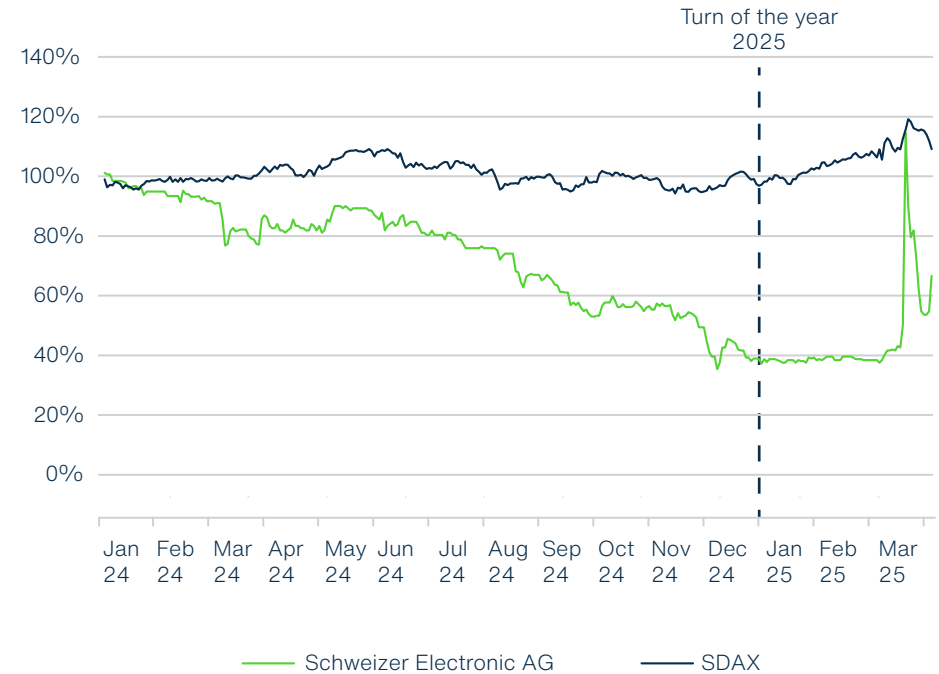
Schweizer Electronic AG (SCE) shares started the year at EUR 6.80, which was also the high for the year. In the first quarter, the share price declined slightly. At the end of the first quarter, the share price stood at EUR 5.80. Trading activity during this period was slightly above average, with 2,105 shares traded.

In the second quarter, the share price moved within a relatively narrow range between EUR 5.40 and EUR 6.05. This phase of relative stability continued the beginning of the third quarter before the share price showed a significantly weaker trend from mid-July onwards. At the beginning of August, the share price fell below the EUR 5 mark. The downward trend continued until the end of the third quarter, with the share price closing at EUR 3.80.

The downward trend continued in the fourth quarter, and on 25 November the share price fell below the EUR 3 mark for the first time. With trading volumes remaining low, further price losses were recorded. The low for the year was reached on 28 November at EUR 2.38, with trading volumes remaining very low at around 330 shares traded.

The closing price of Schweizer Electronic AG for the year was EUR 2.54. Compared with the previous year, the share price fell by 62.2 percent. By contrast, the SDAX closed the year with a moderate decline of 1.78 percent.

In March 2025, there was increased interest on the stock market in stocks from the second and third tiers of the stock market. This development was also reflected in the price performance of Schweizer Electronic AG. Without any recognisable news flow, the share price doubled within a few days and there was a significant increase in trading volume. On 17 March, the price on Xetra reached a high of EUR 7.70 with a trading volume of 77,004 shares. By comparison, the average daily trading volume is around 2,500 shares. From 18 March onwards, there was a gradual decline in both prices and turnover.



LIQUIDITY

The liquidity of SCHWEIZER shares declined in the reporting year and was around 37 percent below the previous year's level. According to statistics from Deutsche Börse, an average of 1,511 shares per day were traded on XETRA in the 2024 financial year, while in 2023, an average daily trading volume of 2,072 shares was recorded.

DIVIDEND

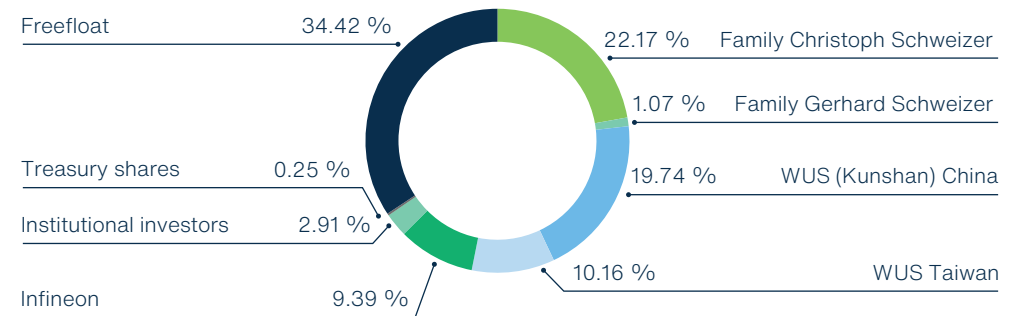
The past financial year was marked by exceptionally difficult conditions. Our primary goal is to ensure the financial stability of the company and to create a solid foundation for further growth in the coming years. For this reason, the Executive Board has decided not to pay a dividend for the 2024 financial year.

INVESTOR RELATIONS

We are committed to transparency and open dialogue with shareholders and capital market participants in order to strengthen confidence in our shares and promote a fair valuation. In 2024, SCHWEIZER provided comprehensive information through financial reports, capital market conferences, telephone conferences and individual meetings. The Annual General Meeting on 28 June 2024 in Schramberg provided a central forum for private shareholders. In addition to comprehensive figures, various presentations and an analyst assessment are published at <https://schweizer.ag/en/investors-media>.

SHAREHOLDER STRUCTURE

The shareholder structure of Schweizer Electronic AG was as follows at the end of 2024:



SHARE DATA

	2024	2023
Year-end closing price ^{*)}	EUR 2.54	EUR 6.72
Year high	EUR 6.80	EUR 8.30
Year low	EUR 2.38	EUR 3.98
Market capitalisation at the end of the financial year	EUR 9.0 million	EUR 25.4 million
Dividend per share	EUR 0.00	EUR 0.00

^{*)}Closing price on XETRA trading system of Deutsche Börse AG

BASIC SHARE DATA

ISIN:	DE0005156236
WKN:	515623
Symbol:	SCE
Trading segment:	Regulated market (General Standard)
Type of share:	Registered no-par-value shares
Number of shares:	3,780,000
Share capital:	9,664,054 EUR



SUMMARISED MANAGEMENT REPORT

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SUMMARISED MANAGEMENT REPORT OF THE SCHWEIZER GROUP AND SCHWEIZER ELECTRONIC AKTIENGESELLSCHAFT AS AT 31 DECEMBER 2024

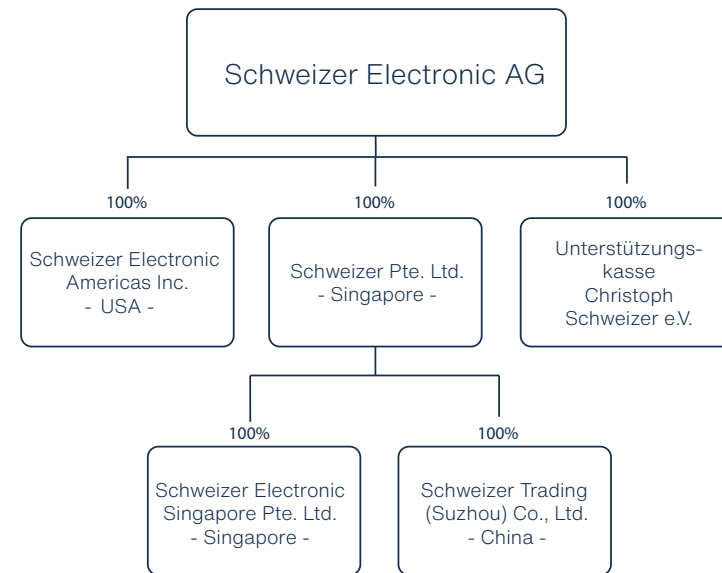
This report the group management report of the SCHWEIZER Group ("SCHWEIZER" or "company"), consisting of Schweizer Electronic Aktiengesellschaft (hereinafter: Schweizer Electronic AG) and its consolidated subsidiaries, together with the management report of Schweizer Electronic AG. It should be read in conjunction with the consolidated financial statements, including the disclosures in the notes to the consolidated financial statements. Please refer to section 4.9 of the notes to the consolidated financial statements for information on treasury shares in accordance with Section 160 (1) no. 2 AktG. The consolidated financial statements are based on a number of assumptions and accounting policies, which are presented in detail in the notes to the consolidated financial statements. In addition, passages labelled accordingly should be read in the context of the separate financial statements including the notes. The summarised management report contains forward-looking statements about the business performance, financial development and earnings of SCHWEIZER. These statements are based on assumptions and forecasts that are based on currently available information and current estimates. These are subject to uncertainties and risks. The actual course of business may therefore deviate significantly from the expected development. SCHWEIZER assumes no obligation to update forward-looking statements beyond the legal requirements.

BASIC PRINCIPLES OF THE GROUP

LEGAL AND ORGANISATIONAL STRUCTURE

Schweizer Electronic AG, based in Schramberg, is the parent company of the Group and manages the investments it holds directly and indirectly. The business development of the parent company is closely linked to the development of the subsidiaries.

GROUP STRUCTURE



BUSINESS MODEL

SCHWEIZER is an internationally recognised expert in the development, manufacture and marketing of printed circuit boards.

Technological advice on the optimum PCB solution to optimise the customer's overall system sets SCHWEIZER apart from the competition. In addition to conventional PCB technologies, SCHWEIZER has developed an established position in the application areas of sensor technology and power electronics over many years.

SCHWEIZER addresses various industries and markets with its solutions. In addition to the automotive sector, the technologies are increasingly finding their way into aviation and industrial applications.

SCHWEIZER enables the efficient implementation of customers' sustainable innovations, such as electromobility or renewable energies. SCHWEIZER attaches great importance to resource-conserving production and also requires its suppliers to comply with high environmental and social standards without reservation.

Under the Fab-Light strategy, modern PCB production in Germany is complemented by the associated company of Schweizer Electronic (Jiangsu) Co, Ltd, China, the production plants of WUS Printed Circuit (Kunshan and Huangshi) and a growing number of production partnerships also outside China, enabling broad-based growth.

BUSINESS STRATEGY – RESILIENCE AND GLOBALISATION

SCHWEIZER's customer-orientated structure with small and medium series production in Europe, in conjunction with production partners for large, medium and small series, as well as samples from Asia and Europe, enables customers to receive a targeted and competitive offer for a wide range of PCB technologies and series sizes.

SCHWEIZER attaches great importance to strong process management, competitive prices and maximum reliability and quality when it comes to its production partners. Partners outside China are also playing an increasingly important role. By intelligently linking German and Asian production, SCHWEIZER offers the answer to the acute challenges of ensuring a reliable global supply chain and meeting the local content requirements of the industries.

The global focus is on the sales regions of Europe (EMEA), North America and Japan.

BUSINESS STRATEGY – PRINTED CIRCUIT BOARDS AND CHIP

From simple 2-layer circuits to complex high-current, logic or radar assemblies, SCHWEIZER offers a comprehensive range of technology and solutions for the most demanding requirements.

Teams of experts are available to customers for complex problems, providing expert advice and specific solutions in customer projects.

TECHNOLOGY AREAS

Standard PCBs

The standard PCB range includes, for example, simple multilayer structures through to complex HDI circuits that cannot be realised using conventional multilayer technology. Impedance requirements can also be met for all of these PCBs.

Innovative PCB technologies

Solutions for high current, high frequency, high temperature and miniaturisation are assigned to the Innovative PCB Technologies division. State-of-the-art PCB technologies enable high-end solutions. The inlay board, for example, offers maximum heat dissipation and current carrying capacity. Radar PCBs enable the precise detection of speeds, distances and objects. Bendable FR4 flex PCBs are suitable for particularly small installation spaces. Thick copper PCBs with thicknesses of up to 400 µm enable a current carrying capacity of several hundred amperes and the Combi-Board combines the functionality of several PCBs without connectors and cables.

Chip embedding & systems

Embedding solutions with integrated power semiconductors enable extremely reliable high-performance modules with significantly better switching behaviour and optimised heating compared to SMT solutions. The Smart p² Pack embedding solutions also allow the combination with the logic circuit without additional connecting elements.

RESEARCH AND DEVELOPMENT

Series development

In 2024, product development worked on the continuity of the business areas recognised as relevant in order to expand and strengthen them.

Intensified contact with the development and quality departments of various Tier1 and OEMs in the aviation industry led to new development projects with the respective pre-development departments. Above all, this enabled the successful placement of SCHWEIZER power technologies such as Inlay, Etched Inlay and p² Pack in the aviation industry.

Following the announcement of the cooperation between SCHWEIZER and Infineon in connection with the embedding of silicon carbide semiconductors (SiC), the focus of development activities was placed on the development of p² Pack technology for high-voltage applications in order to enable a market launch according to automotive standards for the first interested customers in 2026.

New testing competences for evaluating the reliability of the embedding technology and also for testing the materials used were established. This development lay both in test methodologies and in the availability of test equipment. A large number of interested customers were provided with samples for the evaluation of embedding technology.

Following the successful series ramp-up of p² Pack technology at the Schramberg plant in 2024, the rapidly increasing production volume was transferred to the partner plant in China, Schweizer Electronic (Jiangsu) Co, Ltd, in 2024. The production ramp-up has been completed and is showing promising results in terms of production stability and therefore also the scalability of the technology.

Innovation

In 2024, SCHWEIZER was a consortium member in two projects funded by the German Federal Ministry for Economic Affairs and Climate Protection. In the HoGaN (High Current GaN*) Electronics, *GaN: Gallium Nitride) project, SCHWEIZER is working on the approach of a production-ready, scalable power core based on embedded GaN power semiconductors for automotive powertrains in the 100 to 300 kW range. The second funding project trustAE (Transformation of vehicle technology through highly integrated components for robust, digitalised and efficient drive and energy systems based on WBG technologies) focuses on the development of GaN-based components for multiport DC/DC converters. In both projects, SCHWEIZER is working with project partners from industry and research. Both projects will run until the end of 2026.

In the area of high-voltage p2 pack technology (800-900V), there was a sustained high demand for demonstrators, prototypes and test circuit boards. At the same time, new test options for high-voltage material analyses were created. A project in the field of embedding technology was transferred from pre-development to series development.

Research and development expenses totalled EUR 3.0 million in 2024 (2023: EUR 3.1 million). SCHWEIZER's research and development department is located in Germany. This department had 32 employees.

The total number of patents granted decreased to 50 as at 31 December 2024 (31/12/2023: 67).

Employees

As at 31/12/2024, 522 employees were employed (31/12/2023: 583). The number of employees decreased due to natural fluctuation and the termination of fixed-term employment contracts. Due to the challenging market situation and lower capacity utilisation at the Schramberg site, the instrument of short-time working was used in the fourth quarter.

QUALITY MANAGEMENT

In 2024, the company was re-certified in accordance with ISO 14001. During the audits for IATF 16949, EN 9100, Nadcap AC 7119 and ISO 50001, system compliance was confirmed for various customer orders as well as the production and business processes.

Following the successful completion of the recertification audit in 2024, preparations are underway for the upcoming recertification in 2025 in accordance with EN 9100 and ISO 50001. The biennial cycle for monitoring production processes in accordance with Nadcap requirements has been reached; the next monitoring is scheduled for 2026.

ENVIRONMENTAL AND ENERGY MANAGEMENT

Although the products and therefore the processes and operations required for their manufacture are becoming increasingly complex and multi-layered, SCHWEIZER aims to limit the impact on the environment as much as possible through suitable product and process developments. This is also part of our mission statement. The consistent application of environmental and hazard analyses to protect the environment, our employees and the business partners involved in product manufacture/use is our top priority.

The effectiveness of our systems is regularly reviewed through internal audits, among other things, and has also been confirmed for 2024 by the certification company as part of the ISO 14001 and ISO 50001 certifications.

ECONOMIC REPORT

ECONOMY AND SALES MARKETS

World

The global economy was only able to achieve moderate growth rates. Global economic growth in 2024 3.2 percent, slightly below the growth rate of the previous year. In 2024, the economy in the United States expanded strongly, while the other advanced economies recorded hardly any growth. Geopolitical tensions and the threat of trade disputes continued to dampen sentiment among companies and consumers, causing uncertainty and restraint.

Momentum in the emerging markets remained intact overall, but was uneven. Inflation increased, particularly due to rising food prices, and dampened private consumption. Economic output in China remained subdued, influenced by weak domestic demand and the ongoing property crisis. Growth rates in India had recently weakened significantly, although the economic momentum of other Asian economies was positive.

Inflation in the advanced countries continued to fall in 2024 and, at an average of 2.7 percent, was well below the previous year's historic highs. In the G7 countries, the inflation rate averaged +2.3 percent in October. The decline in the inflation rate was mainly due to the energy price component. After an initial decline in the core rate of inflation (excluding energy and food) at the beginning of the year, it remained at 2.9 percent, which was due in particular to higher service costs.

The global economic expansion was driven by services. Global trade in goods picked up noticeably in the spring but has only been weakly positive since the summer months. The significant rise in freight rates due to the existing risk of attacks by rebels in the Suez Canal had a negative impact.

Commodity prices had recently risen again after falling until May. The price of crude oil fell over the course of the year, while the price of European gas rose noticeably. The price trends for energy commodities were caused by concerns regarding their availability due to the current geopolitical disputes.

China

Despite an expansive economic policy, the Chinese economy did not show any clear signs of recovery. Current indicators suggest that the economy gained momentum in the autumn. Retail sales and car sales have recently risen, which points to a revival in private consumption. Exports also recorded a significant increase in October, a trend that could be reinforced by orders brought forward in advance of the expected additional US tariffs. The Chinese economy grew by +4.9 percent compared to the previous year, slightly below the level of 2023. In addition to external economic difficulties, structural problems such as the unresolved property crisis and financial uncertainties continued to weigh on the economy. In relation to global trends, consumer prices were significantly lower than in Central Europe at +0.3 percent.

USA

Growth in the US economy slowed. Compared to the previous year, the US economy grew at a GDP rate of +2.8 percent. Private consumption, which increased noticeably, had a decisive influence on growth. In addition to low unemployment figures, this was also due to increased real wages and a reduced savings rate. With the last interest rate cut of -0.25 percent in December, the key interest rate range was 4.25 to 4.5 percent. Interest rates were therefore significantly lower than in the previous year, although the US Federal Reserve's monetary policy remained restrictive. Consumer price inflation fell for the second year in a row and stood at 2.9 percent.

EURO area

The economy in the eurozone remained weak and recorded low GDP growth of +0.8 percent in 2024. However, this was very volatile in the EU countries. Of the larger economies, Spain and the Netherlands made an above-average contribution with strong growth rates, while growth in France and Germany remained below expectations with growth rates of 0.4 percent and 0.1 percent respectively. The inflation rate was 2.3 percent. The decline was due in particular to the energy price component. Core inflation had stubbornly remained at the same level. One reaction to the weak economic indicators was the ECB's reduction in key interest rates from 4.25 percent in June to 3.15 percent in December 2024. Despite lower inflation, a looser monetary policy with lower interest rates and higher real wages, growth fell well short of expectations. Indicators such as industrial production and business and consumer sentiment weighed heavily and dampened economic growth disproportionately.

Germany

Germany's gross domestic product shrank by -0.2 percent in 2024 on a price-adjusted basis, lagging far behind the European Union's growth rate of +0.9 percent. Less was generated in the manufacturing sector, where gross value added fell significantly by -3.0 percent compared to the previous year. In particular, important sectors such as mechanical engineering and the automotive industry produced significantly less. In addition to the economic weakness, structural factors are also responsible for the current stagnation. The competitiveness of German industry suffered from high energy costs and uncertainty about future energy costs led to a reluctance to invest in new technologies and production capacities.

Despite rising real disposable income, private consumption stagnated in 2024 due to the high level of economic policy uncertainty and the gloomy labour market. The decline in employment and simultaneous rise in the unemployment rate continued unabated in the second half of 2024, resulting in an unemployment rate of 6.1 percent.

Following a sharp rise in 2023, the inflation rate has therefore calmed down and averaged 2.2 percent in 2024, which is significantly lower than in the three previous years. The core inflation rate (excluding energy and food) was 3.0 percent in 2024, compared to 5.1 percent in 2023. Prices for services rose at an above-average rate of 3.8 percent in 2024 compared to 2023.

(Sources: RWI Economic Report 75 (4), Kiel Economic Reports No. 119 and 120 (2024/Q4), press release No. 019, 020 – Federal Statistical Office (Destatis), 2025 Annual Report of the German Council of Economic Experts 2024/25, own sources)

SECTOR ENVIRONMENT

Automotive industry

The global automotive industry remained in a phase of change and moderate recovery in 2024. According to an estimate by S&P Global Mobility, global vehicle sales will have reached 88.2 million units in 2024. This represents an increase of 1.7 percent compared to 2023, supported by continued restocking throughout the year and more stable supply chains. (S&P Global Mobility)

In Europe, the Western/Central European market is estimated at just under 15.0 million units (+1.1 percent year-on-year) as customers remained cautious and OEMs continued to refine their powertrain mix (combustion vs. electric vehicles) (S&P Global Mobility). In the United States, issues with the affordability of new vehicles in 2024 have led to a reduction in demand. In an uncertain consumer environment, 16.0 million units are estimated to have been sold (S&P Global Mobility). In mainland China, the number of new car sales is estimated to have recovered to at least 25.8 million units (+1.4 percent year-on-year) in 2024 thanks to the CNY 130 billion extension of electric vehicle incentives combined with the new CNY 75 billion trade-in programme. (S&P Global Mobility)

In 2024, a number of car manufacturers have cancelled their ambitious electrification plans for the next five to 15 years. A key question is how the "natural" demand for electric vehicles will evolve as governments adjust their policy support, particularly incentives and subsidies, electric vehicle industrial policy and tariffs. Outside of China, automakers face a dual challenge in the transition to electrification: they must increase production of saleable electric vehicles and find willing customers to buy them. (S&P Global Mobility)

Nevertheless, electrification remained an important growth driver in the automotive industry in 2024. While sales of fully electric vehicles (BEV / Battery Electric Vehicle) only increased by 3 percent in Europe in the first half of 2024 (Fraunhofer ISI), the global sales market for BEVs grew by almost 10 percent to around 11.6 million units in 2024, which corresponds to a global market share of 13.2 percent. (S&P Global Mobility)

There was strong growth in China in particular, while Europe and the USA recorded stagnating or declining figures. Overall, the market for BEVs continues to grow, albeit with regional differences and challenges. (S&P Global Mobility / Fraunhofer ISI).

After years of disruption, global supply chains in the automotive industry are showing signs of stabilisation. Nevertheless, the automotive industry remains concerned about the continuity of supply of many raw materials and components over the next five years.

Competition in the automotive sector has intensified with the easing of production restrictions in 2024. This is particularly evident in the EV segment, where traditional car manufacturers are competing with new market players and technology companies.

PCB industry

The global market for printed circuit boards (PCBs) showed stable growth momentum in 2024. At the same time, manufacturers are facing challenges due to regional shifts in production, economic uncertainties and geopolitical factors. The global PCB market is provisionally estimated at USD 76.12 billion in 2024. (Mordor Intelligence)

While the automotive market as a whole is growing steadily (Grandview Research), demand for PCBs for electric vehicles, battery management systems (BMS) and advanced driver assistance systems (ADAS) has increased (Globe Newswire). In AI & cloud computing, server and data centre PCBs are benefiting strongly from the growing demand for high-performance computing. In the area of IoT & Industry 4.0, the growing use of smart, networked devices is ensuring higher PCB sales in industrial applications. The expansion of 5G networks is increasing demand for high-frequency PCBs. Applications in smartphones, wearables and foldable displays are driving demand for flexible and high-density PCBs. (HDI) (Mordor Intelligence / Business Insight Research)

Asia-Pacific (China, Taiwan, South Korea, Japan) dominates the market with an 89.5 percent share of production (BCC Research). With a share of 57 percent, China is by far the largest producer, while Taiwan is the leader in high-end technologies such as HDI and IC substrates (MainPCBA). North America has a market share of 4 percent with a focus on aerospace, defence and automotive (Mordor Intelligence / IPC) Europe continued to have only a small market share (approx. 2 to 3 percent) of the production volume with a focus on industrial electronics, automotive and medical technology (Evertiq).

Geopolitical tensions, in particular the trade conflict between the USA and China, as well as export controls are influencing PCB supply chains. While high-end PCBs are booming, standard PCBs are affected by fluctuations in demand in some segments.

RESULTS OF OPERATIONS (IFRS)

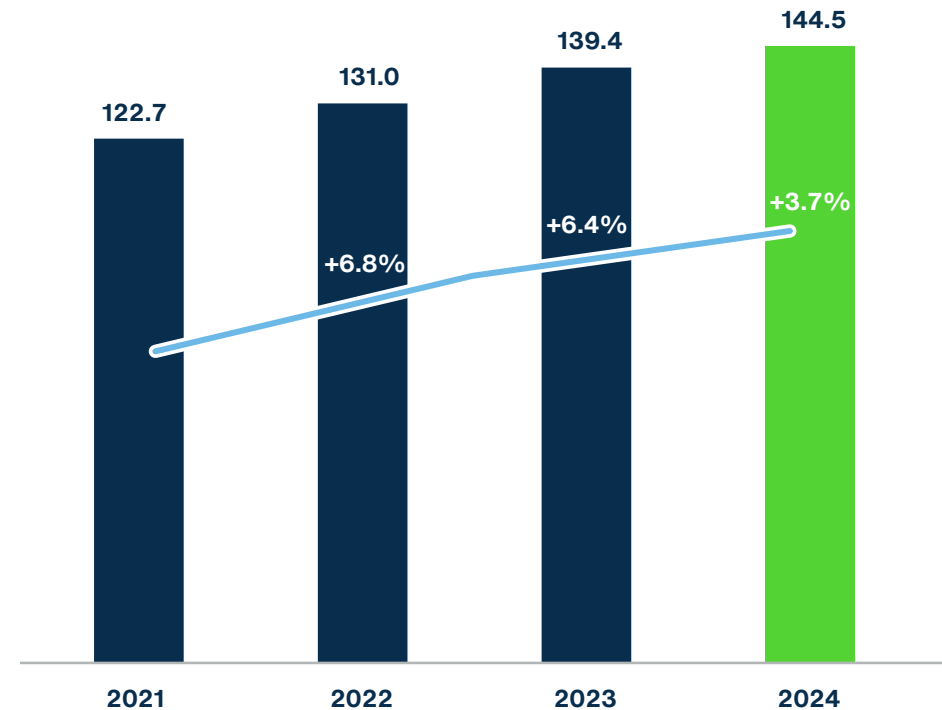
In the following section, we report on the Group's earnings position in accordance with International Financial Reporting Standards (IFRS).

Sales development and order backlog

Group sales totalled EUR 144.5 million (2023: EUR 139.4 million). This corresponds to an increase of +3.7 percent compared to the previous year.

Sales revenue

in EUR million / change on previous year in %



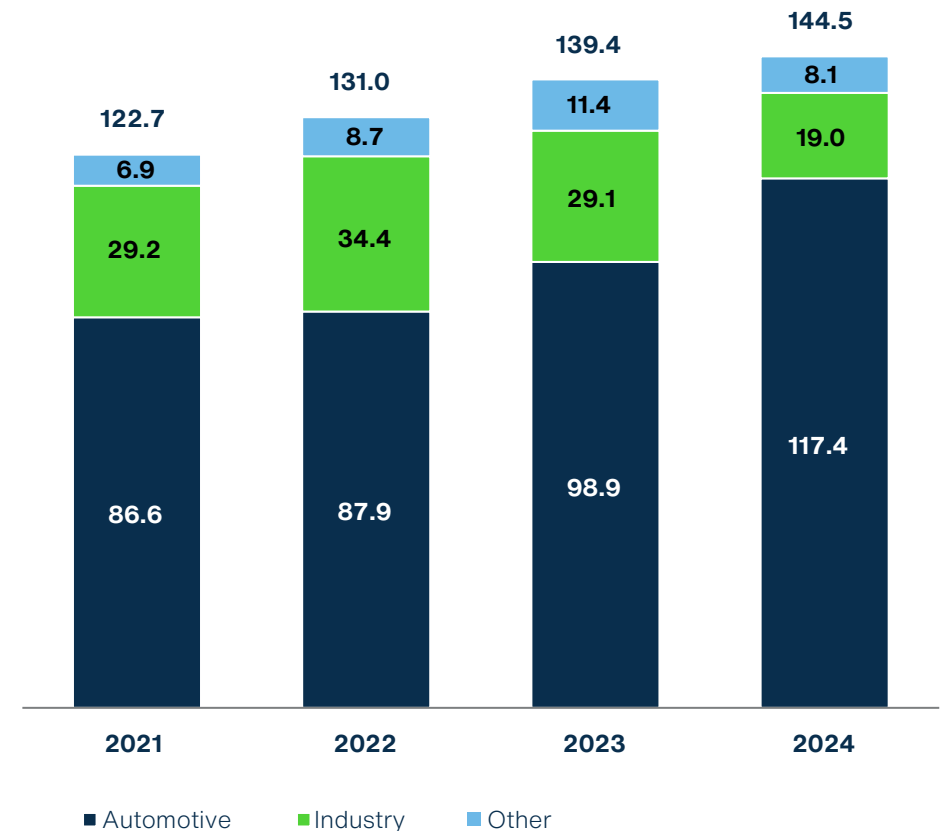
The increase in sales in the first half of the year compared to the same period of the previous year was +8.1 percent. By contrast, a noticeable reluctance on the part of automotive customers to place call-off orders in the fourth quarter led to a -0.6 percent decline in revenue in the second half of 2024 compared to the same period in 2023. Revenue from printed circuit boards produced in Schramberg fell by -16.6 percent compared to the previous year to EUR 76.3 million (2023: EUR 91.5 million).

The SCHWEIZER Group generated sales of EUR 68.2 million (2023: EUR 45.6 million) with trading products manufactured by WUS Printed Circuit (Kunshan) Co., Ltd. in Kunshan or by Meiko Electronics Co., Ltd. in China and Vietnam. The share of sales accounted for by trading goods increased to 47.2 percent compared to the previous year (2023: 32.7 percent).

A sales volume of EUR 117.4 was generated with automotive customers, which corresponds to an increase of +18.7 percent compared to the previous year. The share of sales with automotive customers was 81.2 percent (2023: 71.0 percent). Sales of EUR 19.0 million were generated with industrial customers in the financial year. This corresponds to a decline of -34.5 percent compared to the previous year. This customer group, whose areas of application are primarily in sensor technology and system control, represents 13.2 percent of consolidated sales (2023: 20.9 percent). Sales with other customers from the Communication, Consumer and Computer segments fell by -29.0 percent to EUR 8.1 million. This customer segment corresponds to 5.6 percent (2023: 8.2 percent) of Group sales. Compared to the double-digit growth in Mobility customers, this resulted in a decrease in sales with non-Mobility customers of -33.0 percent. The decline in sales with industrial customers was already apparent in 2023 and was in line with the increasing economic slowdown and declining export activities in Germany.

Sales by customer group

in EUR million



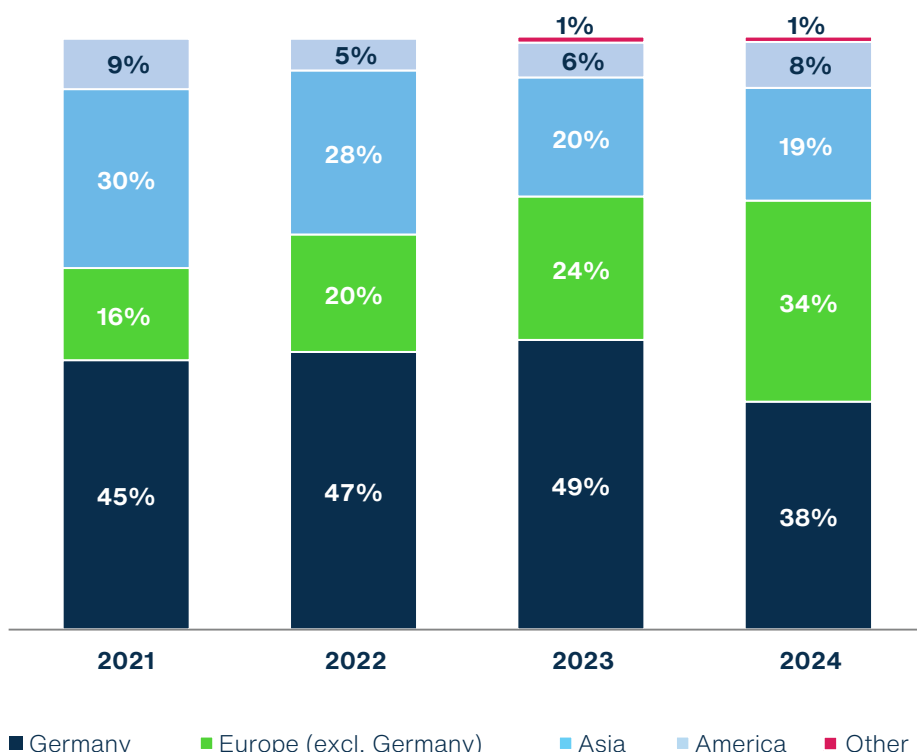
In terms of sales regions, there was a clear shift in favour of other European countries compared to the previous year. The German market recorded a decline in sales of -18.2 percent, while sales in the European markets increased by +45.1 percent. The growth in these regions was due in particular to sales with automotive customers. Exports to America also increased by 36.6 percent. The other export countries recorded

a decline of -10.7 percent. Sales in the Asian countries fell by -1.9 percent.

Germany and Europe accounted for 72.3 percent of sales (2023: 73.0 percent), Asia for 19.0 percent (2023: 20.1 percent) and the Americas/other countries for 8.7 percent (2023: 6.9 percent). Overall, the share of sales generated outside Germany increased to 61.5 percent (2023: 51.2 percent).

Sales by region

in %



in EUR million	2024	2023
Germany	55.6	68.0
Europe (excluding Germany)	48.9	33.7
Asia	27.5	28.1
America	11.2	8.2
Other	1.3	1.4
	144.5	139.4

Incoming orders in 2024 decreased by -46.8 percent compared to the previous year and amounted to EUR 101.5 million (2023: EUR 190.6 million). This reduced the book-to-bill ratio (ratio of incoming orders to sales) to 0.7 (2023: 1.4). This is attributable to customers' cautious ordering behaviour as a result of the economic and structural crisis that began in 2024, which was reflected in a decline in incoming orders in the first and second quarters in particular. This trend weakened in the third quarter and incoming orders normalised. The sharp decline in incoming orders for PCBs from own production was partially offset by growth in orders for printed circuit boards purchased from our strategic trading partners.

The order backlog at the end of the reporting year was EUR 220.4 million (31 December 2023: EUR 251.3 million). Of this, an order backlog of EUR 136.7 million is due for delivery in 2025 (31 December 2023: EUR 152.0 million for 2024). The order backlog for 2026 and subsequent years amounted to EUR 83.7 million as at the reporting date (31 December 2023: EUR 99.3 million for 2025ff).

Operating margin and operating result

The gross profit on sales amounted to +EUR 9.7 million (2023: EUR +17.6 million), which corresponds to a gross margin of +6.7 percent (2023: +12.6 percent). Due to the sale of the majority stake in Schweizer Electronic (Jiangsu) Co, Ltd, China in April 2023, no negative gross results from the plant in China are included in the reporting year. In the previous year, the result was still negatively impacted by EUR -6.0 million from the plant in China. A negative product and customer mix as well as reduced

capacity utilisation and, as a result, lower fixed cost depression had a negative impact on the margin.

Other operating income totalled EUR +4.0 million (2023: EUR +48.2 million). The reduction of EUR -44.2 million compared to the previous year is mainly due to the deconsolidation of the majority stake in Schweizer Electronic (Jiangsu) Co, Ltd, China in 2023 with a value of EUR 44.6 million. Other operating income in the reporting year included currency gains of EUR +2.2 million as well as EUR +0.9 million from waste utilisation.

The functional costs of sales and administration decreased by EUR -3.2 million or -15.5 percent compared to the previous year. In the comparative year 2023, this item included expenses from Schweizer Electronic (Jiangsu) Co, Ltd, China totalling EUR 2.5 million. Other operating expenses increased by +EUR 0.4 million to EUR 2.5 million compared to the previous year, which is mainly due to higher currency losses of EUR -0.4 million.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR -0.3 million (2023: EUR +47.4 million; adjusted for the result in China and the positive deconsolidation result of the investment in Schweizer Electronic (Jiangsu) Co. Ltd, China in 2023: EUR +8.9 million). The EBITDA ratio corresponded to -0.2 percent (2023: +34.0 percent).

Earnings before interest and taxes (EBIT) totalled EUR -6.2 million (2023: EUR +42.9 million; adjusted for the results and deconsolidation of Schweizer Electronic (Jiangsu) Co, Ltd, China: EUR +2.9 million). Depreciation and amortisation amounted to EUR -6.0 million (2023: EUR -3.0 million^{*)}).

^{*)} After correction in accordance with IAS 8, see Notes section 6.4

Financial result

The financial result amounted to EUR -2.3 million (2023: EUR -3.7 million). Other significant components were the loss allocations of EUR -2.1 million (2023: EUR -2.7 million) from the investment in Schweizer Electronic (Jiangsu) Co, Ltd, China, which is recognised as an associate, and the off-balance sheet amortisation of the hidden reserves of the associate in the amount of EUR -1.4 million (2023: EUR 0.9 million). As a result of the capital increase of the WUS Group at Schweizer Electronic (Jiangsu) Co., Ltd., China, the share of SCHWEIZER dilution effects in the amount of EUR +2.1 million were recognised in profit or loss. The cash interest expense for current and non-current financial liabilities amounted to EUR -1.8 million (2023: EUR -3.0 million).

Consolidated result and earnings per share

The consolidated result, which totalled EUR +34.9 million in the previous year due to the special effect of the deconsolidation of Schweizer Electronic (Jiangsu) Co, Ltd, China, amounting to EUR +44.6 million, deteriorated by EUR -43.9 million to EUR -9.0 million. Due to the addition of deferred tax assets, tax income of EUR 0.8 million (2023: EUR -0.7 million) was recognised under taxes on income in the financial year.

Earnings per share for the 2024 financial year amount to EUR -2.40 (2023: EUR +9.25^{*)}).

^{*)} After correction in accordance with IAS 8, see Notes section 6.4

Financial situation (IFRS)

As at the balance sheet date, there were liabilities to banks totalling EUR 21.7 million (2023: EUR 24.3 million). All scheduled repayments totalling EUR -2.6 million were made in the reporting period. Long-term financing totalled EUR 19.2 million. A commitment from our principal banks to extend the loan with a residual debt of EUR 12.4 million as at 31 December 2025 until 2033 was already received in November 2024.

Working capital credit lines totalled EUR 5.7 million as at 31 December of the reporting year. No lines had been utilised as at the balance sheet date.

In the financial year, various assignments of receivables totalling a cumulative amount of EUR 40.3 million (2023: EUR 52.2 million) were used as financing instruments. As at the reporting date, receivables totalling EUR 8.2 million had been assigned.

Liquidity (IFRS)

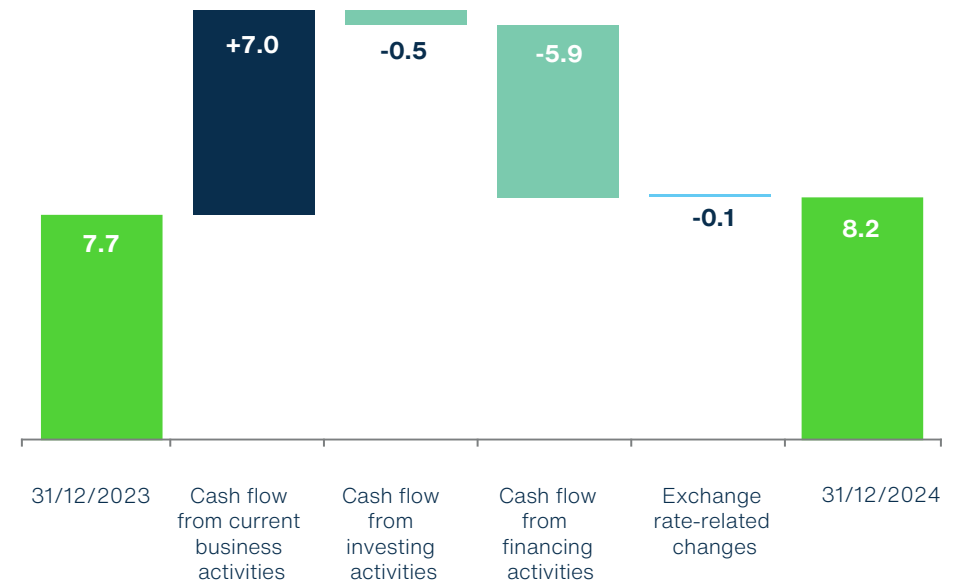
Cash and cash equivalents totalled EUR 8.2 million as at the balance sheet date. This corresponds to an increase of EUR +0.5 million compared to the previous year. Freely available funds, including unutilised current account and forfaiting lines, totalled EUR 18.3 million. The forfaiting line corresponded to the maximum amount for assigned receivables at the respective balance sheet date.

Cash flow from operating activities totalled EUR +7.0 million in the financial year and decreased by EUR -2.9 million compared to the previous year (2023: EUR +9.9 million). A positive contribution was made by the changes in receivables and liabilities, which increased by a net amount of EUR +10.4 million in the reporting year. Cash flow from operating activities included an effect of EUR +8.2 million (2023: EUR +7.6 million) resulting from an assignment of receivables as at the reporting date. Cash-relevant investments mainly related to the cash-relevant acquisition of property, plant and equipment and intangible assets for the Schramberg site in the amount of EUR -1.3 million. The sale of assets as part of a sales-and-lease-back transaction in the amount of EUR 0.9 million had an increasing effect. Overall, cash flow from investing activities totalled EUR -0.5 million (2023: EUR +3.4 million). Cash flow from financing activities was mainly influenced by repayments of existing loans and lease liabilities in the amount of EUR -2.6 million and interest paid in the amount of EUR -1.8 million and therefore totalled EUR -5.9 million (2023: EUR -9.5 million). Overall, the exchange rate-adjusted change in cash and cash equivalents amounted to EUR +0.5 million (2023: EUR +4.0 million). The liabilities of Schweizer Electronic AG were settled at

all times on the due date and by utilising cash discounts. During the year, overdraft facilities were utilised or receivables assigned to cover financial peaks.

Cashflow

in EUR million



in EUR million	2024	2023
Cash flow from operating activities	+7.0	+9.9
Cash flow from investing activities	-0.5	+3.4
Cash flow from financing activities	-5.9	-9.5

Financial position (IFRS)

Compared to the previous year, total assets decreased by EUR -7.2 million to EUR 102.4 million. Non-current assets fell by EUR -5.8 million to EUR 46.0 million. In addition to scheduled depreciation on property, plant and equipment and financial assets accounted for using the equity method, this was also due to loss allocations from Schweizer Electronic (Jiangsu) Co, Ltd, China, amounting to EUR -2.1 million, offset by realised dilution gains of EUR +2.1 million.

Current assets decreased by EUR -1.3 million compared to the end of the previous year to EUR 56.5 million (2023: EUR 57.8 million). Cash and cash equivalents increased by EUR 0.5 million to EUR 8.2 million. Thanks to consistent receivables management, trade receivables were reduced by EUR -2.6 million despite the increase in volume.

Equity decreased to EUR 21.6 million due to the result in 2024. Accordingly, the equity ratio was 21.1 percent (31 December 2023: 26.7 percent^{*)}.

Non-current and current financial liabilities were reduced by EUR -2.6 million to EUR 21.7 million (31 December 2023: EUR 24.2 million) as part of scheduled repayments. Trade payables increased by EUR +9.0 million to EUR 28.2 million (31 December 2023: EUR 19.2 million). In addition to the increase in volume, this is also due to a higher trading share.

^{*)} After correction in accordance with IAS 8, see Notes section 6.4

KEY FIGURES FOR CORPORATE MANAGEMENT

The company's financial performance indicators relate to four categories:

- Economic efficiency
- Growth
- Capital commitment
- Financing

The achievement of the category targets is measured using various key figures and compared against the targets set. The following comparison relates to target achievement compared to the forecast published on 29 April 2024 in the 2023 Annual Report and its most recent adjustments dated 12 July / 5 November 2024.

1. Economic efficiency

SCHWEIZER assesses profitability using the profitability indicators EBITDA (earnings before interest, taxes, depreciation and amortisation) in EUR. EBITDA in EUR represents a profitability indicator within the income statement that also has a high correlation to cash flow. For example, it may make sense to tap into additional sales potential with trading products, even though the corresponding margin is below the previous average margins. This can, for example, increase the potential for internal and external financing for the company's investments and development services.

On 29 April 2024, SCHWEIZER forecast an adjusted EBITDA in the range of EUR 10 to 11 million for the 2024 financial year in the 2023 Annual Report. Profitable revenue growth was assumed in increasingly difficult market conditions, characterised by both increasing price pressure and shifts in the revenue structure. The ramp-up of major projects in the automotive sector, particularly with embedding technology, which is used for hybrid drive technologies in the 48-volt range, was expected to be a growth driver.

In the capital market announcement of 12 July 2024, the EBITDA range was reduced to between EUR 2 million and EUR 5 million. This was due to the continued reluctance of customers to buy. In the capital market announcement dated 5 November 2024, the expected EBITDA range was reduced to between EUR 0 and 2 million. EBITDA totalled EUR -0.3 million at the end of the financial year

The main reason for updating the forecast was the increasing economic and structural weakness over the course of the year, which was further exacerbated by higher price pressure.

2. Growth

SCHWEIZER measures the growth category using the growth rate key figures. The growth rate shows the change in sales compared to the previous period in percent. In the 2023 Annual Report, SCHWEIZER set itself a growth target of +5 percent to +10 percent for 2024, which roughly corresponds to a target turnover of around EUR 140 to 150 million. In the course of preparing the half-year financial report, the growth expectation was left at EUR 140 to 150 million, as – despite the recessionary trend – the trading business proved to be stable in larger projects.

Actual sales totalling EUR 144.5 million were generated in the financial year. This corresponds to an increase of +3.7 percent compared to the previous year.

3. Capital commitment

An important factor in liquidity management is the optimisation of capital commitment. Capital commitment is measured on the basis of working capital. Working capital is the difference between current assets and current liabilities. It is calculated by deducting current liabilities from current assets (excluding cash and cash equivalents). There is growing pressure from customers to extend payment terms and to set up consignment warehouses. Longer payment terms combined with a higher sales volume lead to an increase in receivables and therefore in the need for pre-financing. Another

important factor is inventory management. As part of working capital management, the aim is to reduce inventories of raw materials and supplies, semi-finished goods and finished goods. The task of working capital management is to optimise supplier liabilities by managing payment terms and setting up consignment warehouses. For reasons of profitability optimisation, SCHWEIZER consistently prefers to use potential cash discounts wherever possible. Even at the current interest rate level, this is an attractive alternative, even if it does not minimise working capital.

SCHWEIZER had forecast working capital of between EUR 20 and 24 million in last year's annual report. This figure was confirmed in the forecast adjustment of 12 July / 5 November. Working capital totalled EUR 10.1 million in the financial year. Active receivables management helped to reduce trade receivables by EUR 2.6 million despite sales growth. Due to the changed sales structure, trade payables increased by EUR +9.0 million to EUR 28.2 million at the same time, which essentially contributed to the reduction in working capital by EUR -10.0 million.

4. Financing

In the years prior to its direct investment in China, SCHWEIZER focussed on very stable balance sheet structures, high equity ratios and a very low level of debt. The key figures used to measure the "financing" target category are the equity ratio and the net gearing ratio. An equity ratio of between 25 and 28 percent was therefore forecast for 2024 in the 2023 Annual Report. Due to the economic and structural weakness in 2024, the equity ratio was ultimately reduced to between 15 and 20 percent in the forecast adjustment of 12 July / 5 November. The equity ratio at the end of the financial year was +21.1 percent.

The net gearing ratio is calculated as interest-bearing liabilities less cash and cash equivalents in relation to equity. For 2024, the 2023 Annual Report assumed net debt in a range of 50 to 80 percent. The net debt ratio was moderately increased within this range in the forecasts for the interim financial statements on 12 July and most recently in the quarterly statement on 5 November of the financial year. The net debt ratio was 62.8 percent in the financial year.

The following table shows the achievement of the targets in the 2024 financial year:

Target achievement of the SCHWEIZER Group

	Actual 2023	Target 2024		Actual 2024
		Forecast Annual Report on 29 April 2024	Forecast adjustment on 12 July / 5 Nov. 2024	
Turnover / compared to PY	EUR 137.2 million / +4.7 % ¹⁾	EUR 140 to 150 million	at the lower end the range from EUR 140 to 150 million	EUR 144.5 million
EBITDA	EUR 8.9 million ²⁾	EUR 10 to 11 million	0 to EUR 2 million	EUR -0.3 million
Working capital	20.1 million	EUR 20 to 24 million	EUR 20 to 24 million	EUR 10.1 million
Net gearing ratio	56.5 % ^{*)}	50 % bis 80 %	80 % bis 90 %	62.8 %
Equity ratio	26.7 % ^{*)}	25 % bis 28 %	15 % bis 20 %	21.1 %

¹⁾ excluding SEC sales Jan to Apr 2023.

²⁾ excluding SEC figures Jan to Apr 2023 and deconsolidation gains.

^{*)} After correction in accordance with IAS 8, see Notes section 6.4

SCHWEIZER ELECTRONIC AG

Notes in accordance with HGB

Schweizer Electronic Aktiengesellschaft (hereinafter referred to as "Schweizer Electronic AG"), based in Schramberg, is the parent company of the SCHWEIZER Group, which comprises five subsidiaries. Schramberg is home to a production facility for printed circuit boards, research and development, central sales and the Group's central administrative functions. The financial statements of Schweizer Electronic AG were prepared in accordance with Sections 242 et seq. and Sections 264 et seq. HGB and in accordance with the relevant provisions of the German Stock Corporation Act.

Earnings situation

Income statement in accordance with HGB (condensed version)

	2024	2023
	TEUR	TEUR
Sales revenue	102,960	110,805
Cost of sales of the services rendered to generate the sales revenue	-93,590	-93,383
Gross profit	9,370	17,422
Distribution costs	-4,510	-4,535
General administrative costs	-11,518	-13,535
Other operating income	2,937	2,993
Other operating expenses	-2,077	-1,272
Income from reversal of impairment losses on	5,550	0
Other interest and similar income	23	14
Depreciation and amortisation of financial assets	0	-1,657
Interest and similar expenses	-1,992	-2,305
Taxes on income and earnings	-771	-262
Earnings after taxes/net loss for the year	-2,989	-3,137
Loss carryforward	-31,082	-27,945
Net loss	-34,071	-31,082

Schweizer Electronic AG generated sales of EUR 103.0 million in the reporting year (2023: EUR 110.8 million). The previous year's forecast sales growth of between +2 and +9 percent was therefore not achieved. This is mainly due to the fact that sales of in-house manufactured products at the Schramberg site fell by -14.0 percent to EUR 77.9 million (2023: EUR 90.6 million). Sales from the purchase of trading products from strategic partner companies increased by EUR +4.8 million from EUR 20.2 million to EUR 25.0 million. The share of sales from trading products amounted to 24.3 percent of total sales (2023: 18.2 percent).

The order backlog as at 31 December 2024 decreased by -53.9 percent compared to the previous year to EUR 100.9 million. Of this total order backlog, printed circuit boards worth EUR 59.5 million are scheduled for delivery in 2025.

The gross margin decreased by EUR -8.1 million to EUR 9.4 million and corresponded to 9.1 percent of sales (2023: 15.7 percent). In addition to a cyclical decline in volume with corresponding negative economies of scale, price increases and an unfavourable product and sales mix also had a negative impact on the gross margin in 2024.

At EUR 4.5 million, selling expenses were on a par with the previous year (2023: EUR 4.5 million). Administrative expenses were reduced by EUR -2.0 million to EUR 11.5 million (2023: EUR 13.5 million). This corresponds to a cost reduction of -14.9 percent.

The operating result / EBIT in the financial year totalled EUR -5.8 million (2023: EUR +1.1 million). The EBIT ratio was therefore -5.6 percent (2023: +1.0 percent). Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR -1.7 million (2023: EUR +5.2 million). This corresponds to an EBITDA ratio of -1.6 percent (2023: +4.7 percent). The forecast corridor of EUR +9 million to EUR +10 million for 2024 was therefore not achieved.

Net assets and financial position

Balance sheet according to HGB (condensed version)

	31/12/2024	31/12/2023
	TEUR	TEUR
Assets		
Fixed assets		
Intangible assets	534	611
Property, plant and equipment	17,662	21,220
Financial assets	22,874	17,770
	41,070	39,601
Current assets		
Inventories	15,953	16,458
Receivables and other assets	10,706	22,075
Cash on hand, bank balances	3,167	3,064
	29,826	41,597
Prepaid expenses and deferred charges	446	548
Deferred tax assets	3	880
Total assets	71,346	82,626
Liabilities		
Equity capital	18,104	21,093
Provisions	11,370	14,408
Liabilities	41,872	47,125
Total liabilities	71,346	82,626

As at 31 December 2024, the balance sheet total of Schweizer Electronic AG had decreased by EUR -11.3 million to EUR 71.3 million.

Intangible assets and property, plant and equipment fell by EUR -3.6 million year-on-year to EUR 18.2 million, mainly due to scheduled depreciation and amortisation. Net investments in the financial year totalled EUR 1.3 million.

The carrying amount of the investment in Schweizer Electronic (Jiangsu) Co., Ltd., China, which is recognised under financial assets, was increased to the original acquisition cost of EUR 176. million by EUR 5.6 million in accordance with Section 253 (5) HGB. The value was determined using the discounted cash flow method. Positive future prospects for Schweizer Electronic (Jiangsu) Co, Ltd, China made this necessary.

Current assets decreased by EUR -11.8 million to EUR 29.8 million. This is mainly due to the offsetting of similar and due receivables and liabilities between Schweizer Electronic AG and the associated company in China, Schweizer Electronic (Jiangsu) Co., Ltd., China. The volume of forfeiting totalled EUR 8.2 million and thus only slightly exceeded the previous year's level of EUR 7.6 million. Active management of working capital also contributed to the reduction in inventories and receivables.

In addition to cash and cash equivalents totalling EUR 3.2 million (2023: EUR 3.1 million), there were also non-current and current liabilities to banks amounting to EUR 21.7 million (2023: EUR 24.3 million) as at the reporting date. All scheduled repayments totalling EUR -2.6 million were made in the reporting period. A commitment from our principal banks to extend a loan with a residual debt of EUR 12.4 million as at 31 December 2025 until 2033 was already received in November 2024.

The freely available funds including undrawn current account and forfeiting lines totalled EUR 12.3 million as at 31 December 2024.

In the reporting year, deferred tax assets were not recognised on tax loss carryforwards in accordance with Section 274 HGB for reasons of prudence.

Equity fell by EUR 3.0 million to EUR 18.1 million as at the balance sheet date as a result of the net loss for the year. As a result of the reduction in total assets, the equity ratio stabilised at 25.4 percent, the same level as the previous year (31 December 2023: 25.5 percent).

Key figures for corporate management (HGB)

Due to the close integration and its weight in the Group, the target achievement of Schweizer Electronic AG is reflected in the target achievement of the Group. The development of the Group's business activities for the 2024 financial year forecast in the previous year's summarised management report is largely the result of the development of the parent company's target figures. Schweizer Electronic AG's sales target and the forecast growth rate of between +2 and +9 percent were not achieved, with a growth rate of -7.1 percent. The economic and structural crisis that occurred in Germany in 2024 is the main reason for this. The expanding business with printed circuit boards traded by our strategic partners had an offsetting effect. As a consequence of the decline in volume, a negative EBITDA of EUR -1.7 million had to be recognised. This represents a decline of EUR -6.9 million compared to the previous year. The corresponding EBITDA ratio of -1.6 percent (2023: +4.7 percent) was not within the target corridor of between EUR +9 million and EUR +10 million.

Working capital totalled EUR 1.1 million and decreased by EUR -7.0 million compared to the previous year. In the forecast of 29 April 2024, a development in line with sales was expected. Working capital was reduced significantly through active management and optimisation measures. The equity ratio was estimated at 25 to 28 percent in the

forecast. This amounts to 25.4 percent in the 2024 financial year and is therefore within the forecast corridor. Net debt fell by EUR -2.7 million to EUR 18.5 million, corresponding to a ratio to equity of 102.4 percent. The forecast was for a corridor of 50 – 80 percent.

Forecast report (HGB)

The assessment of business development set out in the SCHWEIZER Group's forecast report also serves as a premise for the forecast of Schweizer Electronic AG's key figures.

Due to the economic situation, Schweizer Electronic AG expects sales in 2025 to be lower than in 2024. EBITDA is forecast to range between EUR +1 million and EUR +5 million. Working capital is expected to develop in line with sales. The equity ratio is also expected to decrease moderately and the net gearing ratio to increase significantly.

Forecast Schweizer Electronic AG

	Actual 2024	Forecast 2025
Turnover / growth rate	EUR 103 million / -7.1 %	-8 % to +2 % ¹⁾
EBITDA	EUR -1.7 million	EUR +1 to +5 million
Working capital	EUR 2.3 million	proportional to sales development
Equity ratio	25.4 %	15 % to 20 %
Net gearing ratio	102.4 %	120 % to 180 %

¹⁾ Change compared to previous year

FORECAST REPORT

Market Germany

Labour shortages, stagnating productivity and an outdated capital stock are having a negative impact on Germany's growth potential. In addition, the competitiveness of the German economy is suffering from location factors such as high energy costs, overregulation and a high tax burden in international comparison. In addition to these national and, in some cases, European challenges, there are also risks associated with international politics. The forecasts of leading national and international research institutes for the year 2025 are very close together. While the IMF is expecting growth of 0.3 percent, the Kiel Institute for the World Economy is forecasting stagnation. In its baseline scenario, the ifo Institute forecasts growth of 0.4 percent, but considers an alternative scenario of 1.1 percent growth to be possible if the right economic policy decisions are made.

These estimates provide an indicator of the degree of effectiveness of various reforms that could be initiated by German policy. A higher investment rate, real wage growth and an increase in labour supply through incentives could have a positive impact on economic development. On the other hand, a further decline in exports due to tariffs and trade restrictions, a restrictive monetary policy due to higher inflation risks or geopolitical upheavals could have a negative impact on the recovery of the German economy over the course of the year.

Automotive industry

According to a forecast by S&P Global Mobility, global automotive production is set to rise to around 89.6 million vehicles by 2025, which is significantly below the previous peak of 95 million vehicles in 2017. Various forecasts assume that the share of electric vehicles in new registrations in the EU will rise to around 25 percent by 2025. To achieve the EU fleet targets by 2030, an increase in the share of electric vehicles to 50 percent is required. So far, German car manufacturers have only

been able to benefit disproportionately from this growth. BYD and Tesla dominate the global market in the battery-powered vehicle segment. No German brand has achieved a market share of 5 percent in this class. Overall, the global market share of German OEMs in terms of total vehicles sold has been gradually declining since 2020. On the other hand, the share of Chinese brands on German roads could increase further. The China Association of Automobile Manufacturers (CAAM) forecasts that vehicle exports will grow by 5.8 percent to 6.2 million units in 2025, although this represents a slowdown compared to the growth of 19.3 percent in 2024. The important Chinese market is also becoming increasingly challenging for German OEMs. The underutilisation of European production capacities and declining earnings are exacerbating the problems. In the coming years, is expected to shift an increasing share of value creation to growth regions abroad through the establishment of local-for-local structures.

Mechanical engineering sector

Global competition is intensifying, particularly due to the expansion of production capacities in China and the USA. Chinese manufacturers are consolidating their position in the emerging markets, while the USA is increasingly focussing on domestic production and reshoring, which limits the market opportunities for German companies.

The mechanical engineering industry can look back on a weak year with an 8 percent drop in production and is forecasting a further 2 percent decline in production for 2025.

Due to the underutilisation of production capacity, an increase in job cuts is expected over the course of the year. According to a VDMA survey of over 500 mechanical engineering companies, 61 percent of respondents expect job cuts in the next twelve months and only 20 percent expect job increases. Despite this weak outlook, there are also positive signals. For example, German manufacturers of food and packaging machinery are proving to be more robust than other sub-sectors in the mechanical

engineering industry. According to preliminary data from the Federal Statistical Office, production in this sector increased by 3 percent to just under EUR 17 billion in 2024.

Printed circuit board industry

Moderate growth is forecast for the PCB industry in 2025. According to the market research institute Mordor Intelligence, the global PCB market is estimated to be worth USD 76.12 billion in 2025. In the medium term, the German Electrical and Electronic Manufacturers' Association (ZVEI) expects the global PCB industry to grow significantly at a CAGR of 9.9 % to USD 146.7 billion between 2023 and 2030. Schweizer Electronic AG is benefiting from the global growth of the PCB industry by increasing its trading business. In addition, global growth in PCBs in the electric vehicle market, which is important for Schweizer Electronic AG, is forecast at 8.5 percent from 2025 to 2035. In Europe, the overall market is forecast to grow at a slightly slower rate. The growth drivers are printed circuit boards for the electrification of the automotive industry, industrial electronics and the military.

OUTLOOK FOR THE SCHWEIZER GROUP

Sales expectations

We expect sales of between EUR 130 million and EUR 165 million in 2025 (2024: EUR 144.5 million). We therefore expect sales to roughly on a par with 2024, but potentially increase by up to 14 percent. On the other hand, however, the general market risks could also lead to a decline in sales of up to 10 percent.

This forecast is characterised by rather weak market momentum in our main customer group Automotive. The Industrial segment is also showing only very modest signs of improvement. The chip embedding product p2 Pack will continue to be the main sales driver for SCHWEIZER in 2025. The product is being used in cars with combustion engines, which are supported by hybrid technology to significantly reduce fuel consumption. As in the previous year, there was a positive trend in this sales segment, from which SCHWEIZER's embedding technology is benefiting.

As embedding technology can also be integrated into purely electrically powered vehicles in the future, the medium-term forecast for this product is also very positive.

There is potential in the increased acquisition and support of customers from additional high-growth sectors and technologies. SCHWEIZER will also expand its existing partner network in order to cover a broader portfolio of customer demand.

Earnings forecast

EBITDA is expected to be in a range between EUR 3 million and EUR 8 million in 2025 (2024: EUR -0.3 million). This corresponds to an increase of EUR 3.3 million to EUR 8.3 million. The EBITDA ratio is therefore forecast to be between 2 and 5 percent.

In 2025, the trend of recent years will continue, in which business with Asian production partners will develop better than business with PCBs produced in Germany. We expect 60 to 70 percent of Group sales to be realised through Asian production partners, with the proportion of products manufactured in-house decreasing accordingly. The Fab-light strategy introduced early on by SCHWEIZER is increasingly paying off as a stability and growth factor. This strategy will be intensified in future by establishing SCHWEIZER's partner base more and more outside China.

Customers will continue to exert significant price pressure in 2025, while general inflation remains high, albeit at a lower level than recently. SCHWEIZER is countering this pressure on margins with two main activities.

Firstly, efforts are being stepped up to target customers and technologies that are less price-sensitive. Customers who attach great importance to local sourcing or high data security standards are an important basis for future success, particularly for Germany as a production location.

Secondly, SCHWEIZER will continue and intensify its strict cost management at the German production site. A comprehensive optimisation programme was already launched in 2024 for this purpose. A corresponding follow-up effect is expected for 2025. This optimisation programme will be continued in 2025. The aim is to significantly reduce the break-even point of our own production.

Key balance sheet figures

Despite the expected positive development of the key operating profitability figures, we expect the equity ratio to fall slightly in 2025 due to a negative result. This will be between 9 and 15 percent (2024: 21 percent).

Financial liabilities are unlikely to change significantly in 2025. We expect a balanced relationship between the amount of repayments and new borrowing. According to the current loan agreements, a repayment of EUR 12.4 million would have to be made for a bullet loan on 31 December 2025. A refinancing confirmation has been received from the financing banking group for this. New borrowing will focus on lease financing for new production facilities and the temporary additional utilisation of existing working capital and factoring lines.

In light of these developments, we expect a net gearing ratio of 200 to 250 percent by the end of 2025 (2024: 63 percent).

Working capital was significantly optimised over the course of 2024. It totalled EUR 10.1 million at the end of the year. Based on the expected sales structures and a consistent continuation of working capital management, we are forecasting a moderate increase in this key performance indicator for 2025, with receivables and inventory management and the optimisation of payment terms towards customers and suppliers playing an important role.

General statement

While 2024 was characterised by a negative and unforeseeable turnaround in the second quarter, we do not anticipate another economic downturn of the same magnitude in 2025. The cost optimisation measures were already launched in mid-2024, with an expected knock-on effect for 2025 as well.

The success of the Fab-light concept is expected to accelerate, although the higher proportion of printed circuit boards not produced in-house will have a dilutive effect on the profit margin.

On this basis, we consider it realistic that we will be able to achieve a positive operating result again, provided that no unforeseeable influencing factors, such as an intensifying international trade war between the three industrial powers of North America, Asia (especially China) and Europe, overshadow the positive trend.

Forecast for the SCHWEIZER Group

	Actual 2024	Forecast 2025
Turnover / growth rate	EUR 144.5 million	EUR 130 to 165 million
EBITDA	EUR -0.3 million	EUR 3 to 8 million
Working capital	EUR 10.1 million	EUR 15 million
Equity ratio	21.1 %	9 % to 15 %
Net gearing ratio	62.8 %	200 % to 250 %

OPPORTUNITY AND RISK REPORT

For SCHWEIZER as a supplier of technologically advanced and safety-relevant products, the structured and transparent assessment of opportunities and risks is an important building block for business activities and the Group's goal of achieving sustainable corporate success. The opportunities for realising growth and introducing new technologies must always be weighed up against the associated risks.

Against this backdrop, our risk strategy is geared towards realising the resulting opportunities on the one hand and actively reducing risks by means of countermeasures on the other, and in particular avoiding risks that could jeopardise the company's continued existence. To this end, risk management is closely linked to corporate planning and the implementation of our Group strategy. SCHWEIZER defines risks and opportunities as the occurrence of future deviations, both positive and negative, from the business plan.

The SCHWEIZER Group's risk management system comprises the parent company Schweizer Electronic AG and the individual integrated business-relevant Group companies. The risks or risk areas resulting from the risk inventory are assigned to the appointed risk owners in the respective companies. The risk owners are responsible for managing and reporting risks and, at the same time, for reporting ad hoc risks. The Corporate Risk Manager is responsible for reviewing the assessment and reported measures by the risk owners and for risk reporting at Group level.

The structure of our risk policy is based on various harmonised risk management and control system components. As part of an internal reporting process, function-related issues and associated opportunities and risks are reported to the Supervisory Board and the Executive Board. Reporting to the Supervisory Board takes the form of regular written and verbal reports from the Executive Board.

Reporting to the Executive Board takes the form of an annual risk report, which, in addition to the individual risk status and risk-limiting measures, includes the determination of risk-bearing capacity, the assessment of risks and opportunities and the aggregated overall risk. In addition, an annual workshop is held with the Executive Board to identify, assess and manage risks using a top-down approach. The Executive Board's fortnightly management meetings with the first management level, weekly rolling liquidity planning and regular management reporting serve as further sources of information. Potential material risks and opportunities are discussed, ad hoc risk reports are categorised and evaluated, and necessary measures are determined at fortnightly meetings between the Executive Board and the management team. Risk assessment is carried out on the basis of all information available to management. Another component is the internal control system with regard to accounting (ICS).

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS^{*)}

In comparison to the risk management system, the internal control system (ICS) focuses on the accounting process with the aim of monitoring the correctness of accounting and financial reporting. The internal control system aims to minimise the risk of misstatements in accounting and external reporting and to prepare financial statements that comply with regulations with reasonable assurance. Company-wide compliance with legal and internal company regulations must be ensured for this purpose. Clear responsibilities are assigned to each process. The basic design of the control system aims to ensure effectiveness and to cover all significant legal entities and central functions. The system monitors the principles and procedures by means of preventive and detective controls.

With regard to the accounting process, the company considers those features of the internal control and risk management system that can significantly influence the accounting and the overall statement of the annual and consolidated financial statements, including the management report, to be material.

These are the following elements in particular:

- Identification of the main risk areas and control areas relevant to the accounting process,
- Reporting on the results of the accounting process controls at Executive Board level,
- Preventive control measures in finance and accounting as well as in all operational company processes that generate material information for the preparation of the annual and consolidated financial statements including the management report, including a separation of functions and predefined authorisation processes in relevant areas,
- Measures that ensure the proper IT-supported processing of accounting-related matters, data integrity and cyber security,
- Involvement of external experts for complex accounting issues in the accounting process as well as a multi-stage assessment process between Finance and Accounting and the Executive Board,
- Implementation of a risk management system that includes measures to identify and assess significant risks as well as risk-limiting measures to ensure the correctness of the annual and consolidated financial statements.

Evaluation of effectiveness

The effectiveness of the internal control system with regard to the accounting process is systematically evaluated. Firstly, an annual risk analysis is carried out and, if necessary, the defined controls are revised. In doing so, we identify and update significant risks with regard to accounting and financial reporting. The controls defined for the identification of risks are documented in accordance with company-wide guidelines. In order to assess the effectiveness of the controls, we carry out regular tests on the basis of random samples. These form the basis for a self-assessment of whether the controls are appropriately designed and effective. The results of this self-assessment are documented and reported in a standardised system.

Recognised control weaknesses are remedied, taking into account their potential impact. In addition, risks are systematically identified and suitable corrective measures initiated as part of the monthly reporting of the financial, earnings and asset situation as well as process-related key figures to the Supervisory Board.

At the end of the annual cycle, the effectiveness of the internal control system with regard to the accounting process is reviewed and confirmed. The Executive Board and the Supervisory Board are informed verbally about any significant control weaknesses identified and the effectiveness of the controls in place at Supervisory Board meetings and, if necessary, on an ad hoc basis. The risk management and internal control system is continuously developed in order to meet internal and external requirements. The improvement of the system serves to continuously monitor the relevant risk areas.

In the reporting year, the responsible persons carried out the assigned control tasks with the specified frequency, the required sample size and permanent automated controls in such a way that the appropriateness and effectiveness of the accounting-related internal control system and the overarching internal control system was

ensured. Recognised weaknesses in the control system were addressed and will be implemented promptly.

¹⁾ The disclosures in this section of the summarised management report relating to the appropriateness and effectiveness of the internal control system that are not part of the management report do not form part of the audit. The audit of the financial statements exclusively comprises the accounting-related internal control system.

RISK AND OPPORTUNITY MANAGEMENT SYSTEM

The risks relevant to the SCHWEIZER Group can be categorised as follows:

Strategic risks	Financial risks	Operational risks	Compliance risks
Market stagnation or decline, service disruptions, technology, customer requirements, cooperations, supply chains, minority participation SEC (China)	Going concern Schweizer Electronic AG, Liquidity supply (bad debts, loans), Exchange rates, Interest rate changes	Procurement, Raw materials and Intermediate products, Cost structures, Production, Processes IT, Betrayal of Company secrets, Cybercrime, Espionage and Data misuse	Environmental damage, Infringement of patents and copyrights

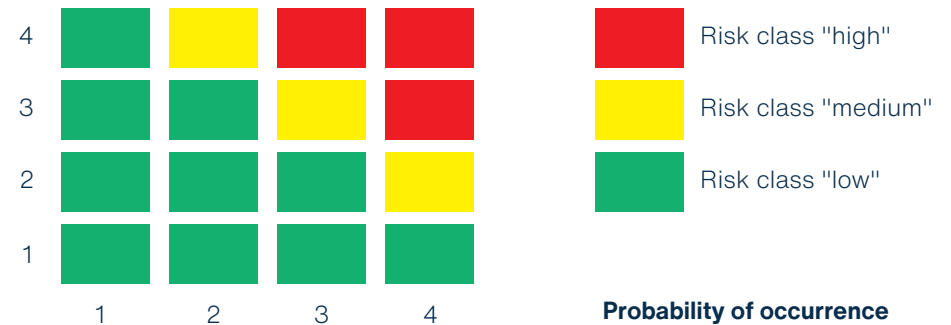
Overall assessment

The Executive Board assesses the company's opportunity and risk profile once a year for the categories of strategy, finance, operational issues and compliance. The most important sources of information are the SCHWEIZER risk management system of the individual Group companies included, ad hoc reports and other internal and external analyses and reports.

ESG-related opportunities and risks are integrated into SCHWEIZER's risk early warning system. The information and findings contained in the risk reports are used in the sustainability statement. Due diligence obligations are complied with in accordance with the internal control system when preparing the sustainability statement. Twice-yearly risk reporting to the Risk Manager and the Executive Board ensures that risks and opportunities, measures and target achievement are fully validated by the risk owners and specialist departments in terms of process and content. Further information on the integration of ESG-related opportunities and risks can be found in the ESRS2 chapter in the "Our approach to identifying and assessing material impacts, risks and opportunities" section of the sustainability statement in the non-financial report.

All significant risks and opportunities for the SCHWEIZER Group are assessed in a standardised manner from a quantitative and qualitative perspective in the dimensions of degree of impact (relevance) and probability of occurrence. The risk is classified as "high", "medium" or "low" according to the degree of impact and probability of occurrence as per the risk classification matrix below:

Degree of impact (relevance)



Relevance

1	< EUR 1 million	tolerable impact on corporate objective
2	< EUR 6 million	significant impact on corporate objective
3	< EUR 10 million	major impact on corporate objective
4	> EUR 10 million	catastrophic, existence threat

Probability of occurrence

1	< 10 %	every 10 years or more	very unlikely
2	< 33 %	every 3 years	less likely
3	< 50 %	every 2 years	probably
4	> 90 %	yearly	certain or almost certain

The extent of loss in EUR, weighted by the probability of occurrence, defines the calculable upper limit of a gross maximum loss of an individual risk. The assessment of risks follows the net principle, in that the assessed influences of the control and hedging measures are deducted from the gross value. The resulting net loss is the base value for the individual risks taken into account in the risk aggregation. Using a mathematical Monte Carlo simulation, risk-adjusted probability distributions are used to calculate comprehensive scenarios of a deviation in results from the expected value. The calculated values lead to an approximate normal distribution of result deviations, which, with certain probability statements – including the value at risk – leads to the determination of the overall risk of Schweizer Electronic AG. The maximum risk-bearing capacity threshold resulting from the annual risk-bearing capacity analysis is compared with a 95 percent probable overall risk from the risk aggregation. This shows the extent to which the maximum risk-bearing capacity is utilised by available liquidity or equity.

The assessment of the opportunities inherent in some risk areas is purely qualitative. The total number of points achieved from a strengths/weaknesses and risks/opportunities analysis (SWOT analysis) defines the achievement of a realisation opportunity with scaled gradations in "high", "medium" and "low".

In particular, the risks that can have a significant to considerable impact on the financial position, net assets and results of operations and are categorised in the "high" and "medium" risk classes are described below.

STRATEGIC RISKS

Market and competition / customers (risk: high – opportunity: low)

Geopolitical tensions and the macroeconomic environment will be the key factors for the development of the global economy, individual regions and sectors in 2024.

The **non-mobility** sector accounted for 19 percent of total sales in 2024. With an 81 percent share of sales in the **Mobility** segment, SCHWEIZER is highly dependent on the development of the automotive industry. This increased in the reporting year due to the positive development of projects with chip embedding technology.

Despite the further improvement in global passenger car sales, the 2019 level of 88.2 million vehicles (S&P) could not yet be fully reached again in 2024. Increased vehicle prices, weakening consumer confidence and inconsistent development in the increasing electrification of vehicles continue to characterise market development. In addition, the new US administration could implement a number of policies in 2025, including general tariffs, deregulation and faltering support for BEVs, which will impact the SCHWEIZER market.

According to S&P Global Mobility, the growth forecast for global car sales in 2025 is 1.7 percent, similar to the previous year. With expected sales of 89.6 million vehicles worldwide, the pre-corona level will not be reached in 2025 despite modest growth.

Against this backdrop, SCHWEIZER anticipates only slightly positive market development and ongoing challenges in the automotive market in 2025. If the weak sales trend for passenger cars continues or is exacerbated by an overall economic downturn, this would have an impact on SCHWEIZER'S sales growth and profitability.

Another risk is the competitive situation in the automotive segment, which is intensifying significantly in an international context. Asian PCB companies in particular are trying hard to establish themselves in this customer segment in order to benefit from medium-term growth opportunities and better diversify their customer portfolio.

SCHWEIZER is responding to this trend with its Asian partner network, its strategic partner plant of Schweizer Electronic (Jiangsu) Co., Ltd. (SEC) in China and its successful qualification with well-known customers. This gives SCHWEIZER the opportunity to tap into greater sales potential with new and existing customers and to gain additional market potential through a broader portfolio of technology products.

The general risk of lower car sales is offset by the transformation of the automotive industry towards more hybrid and electric vehicles (i.e. more electronics per vehicle) and thus a higher demand for PCBs as an opportunity.

SCHWEIZER'S high quality and technological expertise, as well as its local proximity to many of the world's largest Tier1s, give it the opportunity to be a successful and reliable partner in this market. SCHWEIZER sees opportunities for a very good market position in the e-mobility sector thanks to its embedding technology in the field of 48-volt applications. The acquisition of major projects at in recent years confirms this. The area of high-voltage embedding is another milestone in this development.

With an 81 percent share of sales in the automotive sector and the five largest customers accounting for 66 percent of total sales in 2024, the company faces significant risks for SCHWEIZER in the event of significant changes in their market, profitability or financial situation.

The further expansion of the US business through a partnership with a well-known trading partner will further improve SCHWEIZER'S customer presence in North America and the global opportunities in the focus markets of automotive, industry, medical and aviation.

Furthermore, our global positioning with our own production facility in Germany, a strategic partner plant in China and the expansion of other production partners in Asia will enable us to better tap into new customers in our sales markets. Our technological expertise, flexibility and the quality standards of our main plant in Germany and their transfer to our partner plant in China increase our chances of expanding our market share.

SCHWEIZER has established itself as a reliable technology partner for European and, in future, American and Asian automotive suppliers. This opens up good opportunities to benefit from the innovative strength of these customers. SCHWEIZER'S most important customers are global market leaders in their segments. The barriers to market entry are generally high for new competitors due to the high level of technological expertise and the required commitment to quality.

Cooperation (risk: high – opportunity: medium)

Thanks to its global positioning with its own production facilities in Germany and an additional network of production partners in Asia, Schweizer Electronic AG is expanding its range of production capacities, technologies and cost-efficient products on the market, thereby significantly improving its opportunities for developing sales markets and acquiring customers.

However, due to the cooperation with our largest shareholder and production partner (WUS Printed Circuit Co. Ltd.), dependencies can also arise in the purchase of production services and the development of sales markets. We counter this through forward-looking coordination in day-to-day business, comprehensive fortnightly meetings on operational production, customer and market issues and quarterly strategy coordination together with the management of WUS Printed Circuit Co. Ltd.

We are also actively expanding our partner network to include additional production partners in order to balance out the share of business with WUS Printed Circuit and to fundamentally reduce any possible dependence on individual production plants and production partners. To this end, we are expanding our partner network in Southeast Asia outside of China in order to counteract geopolitical risks and meet increasing customer requirements, particularly from the automotive industry.

Service disruption (risk: low – opportunity: low)

The Technology division includes the areas of front-end/work planning, product management/series development and innovation/pre-development. In the front-end area, series orders are planned that are within our production capabilities, which are documented in the PCB standard. During planning, the person in charge checks the customer's requirements against our possibilities. The order is planned in the standard if all of the customer's requirements are within our production capabilities. For this reason, every new order that is created is checked according to internally defined processes and the result is documented in a so-called feasibility commitment.

In some cases, this check is carried out with software support, but in other cases the check must be carried out without system support. The fundamental problem here is that requirements outside of our specification are overlooked, potentially violating the customer specification.

This problem is countered with established quality standards, such as the use of checklists and the review of production plans using the dual control principle.

Risks that cannot be minimised through design adjustments but are nevertheless requested by the customer are contractually excluded from the warranty. Product liability insurance and recall insurance have been taken out to cover any damage that may nevertheless occur.

Product management

Products that have non-standard features but are still to be mass-produced for customers are developed as part of customer projects in series development and transferred to a controlled state via various release stages. The so-called stage-gate process is used as a development method. When new technologies are introduced, this development work begins in the area of pre-development, where the foundations of the technology are laid on which products can then be developed.

The new p² Pack technology, i.e. the embedding of power electronic components in the printed circuit board, was transferred to the production site in Jintan, China, in 2023. This site will also produce 90 percent of the quantities that SCHWEIZER has to supply. New start-ups are always associated with risks that only materialise when a product is manufactured in large quantities. To minimise this risk, SCHWEIZER has sent specially trained personnel to Jintan to support the qualification and production ramp-up and to secure. The current status of the ramp-up is discussed in weekly on-line meetings.

Innovation / Pre-development

In the area of development, there is a risk of delays to sample dates, which could lead to the time windows in which a technology decision is made being missed. This can lead to sales being realised later than planned or not at all. This may jeopardise the company's overall sales target. This risk is countered by a project management system that also includes deadline controlling. Deadlines that are not met lead to project escalation, which is discussed and decided upon in regular project meetings.

Technology (risk: low – opportunity: medium)

Energy generation from alternative sources continues to gain ground in the generation of electricity and ensures that up to 70 percent of electricity in Germany is generated from renewable sources. Power electronics, which is required for the conversion of electrical energy, remains a clear growth market. Applications such as solar inverters and charging stations for electric vehicles will continue to grow strongly. In the automotive industry, the switch to purely battery-powered vehicles have slowed due to changes in subsidy policy, the still higher sales prices and consumers' ongoing range anxiety. In contrast, there has been stronger growth in the area of hybrid vehicles.

Automated driving is one of the key trends in the automotive industry and is significantly fuelling demand for sensors and cameras per vehicle, leading to dynamic market growth. This opens up promising prospects for SCHWEIZER to continue to successfully serve the market for radar and camera applications and acquire additional projects. While simple systems are subject to high-cost pressure, the complexity of high-resolution radar and camera systems is increasing significantly. This offers SCHWEIZER the opportunity to position itself in this demanding segment and capitalise on new business opportunities. At the same time, the increasing technical complexity harbours certain risks, but these are considered manageable.

SCHWEIZER has good prospects of success in winning new projects in the field of electromobility and realising them through to series production. Thanks to its comprehensive technology portfolio for power electronics applications, SCHWEIZER can offer a variety of customised solutions for a wide range of customer requirements. The conversion of on-board power supply voltages from 400V to 800V for fully electric vehicles (BEV/NEV – Battery Electric Vehicle, New Energy Vehicle) is continuing. This trend requires the qualification of base materials that can withstand the high voltages and demanding environmental conditions in the automotive industry in the long term. The availability and processing of such materials harbour a moderate risk.

Demand from the drive inverter sector for our p² Pack technology (power semiconductors embedded in the printed circuit board) is very dynamic, particularly from Chinese NEV vehicle manufacturers and their suppliers. However, this is also attracting competitors who are working on alternative concepts that attempt to circumvent our technology, which is protected by international patents, or possibly even clumsily copy it. We meticulously follow up information from our network and, if necessary, take legal action against infringers of our IP.

While the availability of suitable power semiconductors for embedding technology was still a major hurdle recently, the situation is gradually improving as interested customers are now increasingly asking their semiconductor partners for components suitable for embedding. The slowdown in market growth, at least in the Western hemisphere, particularly in the SiC semiconductor sector, is putting increasing competitive pressure on semiconductor manufacturers. The established semiconductor manufacturers are being joined by new players, particularly from China, who – supported by high subsidies – can offer their products at significantly lower prices. The Chinese market will have to establish its own supply chains, which are more difficult to tap into than in the Western World due to a lack of transparency. For these activities, our joint venture Schweizer Electronic China, SEC will make it easier to achieve this transparency.

Last year, the qualification of further base materials that are suitable for the requirements of high-voltage applications was continued. Further candidates were identified here, reducing the risk of not achieving the relevant qualifications due to unsuitable materials.

The ramp-up of embedding technology in our SEC joint venture for automotive products has been very successful. It has become clear that the design of the newly built plant in China provides the best conditions for producing these products with the highest production yields.

The demand for our embedding technology, particularly from Asian countries, has continued to grow. Project enquiries from this part of the world are increasing significantly. Together with the partner plant of Schweizer Electronic (Jiangsu) Co., Ltd. in China, Asian customers can be supported locally, while European and American customers are served from Germany.

The cost pressure on the new inverter technologies generally remains high, as many alternatives are being developed for this rapidly growing market. This also increases the pressure on us at to drive forward further cost optimisation of our embedding technology.

Supply chains (risk: medium – opportunity: medium)

Even in 2025, there is a risk for SCHWEIZER that certain raw materials and production materials may not be available. The global conflict regions in Europe (Ukraine war), Asia (China/Taiwan conflict), the Red Sea (attacks by rebel groups), exceptional weather-related situations, strikes and protests in Germany and Europe continue to harbour the risk of bottlenecks or longer delivery times in 2025. The problems and risks in transport logistics remain unchanged (e.g. rail freight from China, trade union strikes). SCHWEIZER could be affected in this respect with regard to raw materials/auxiliary/operating materials and trading products.

The energy price increases of recent years remain a risk for European suppliers and therefore also for SCHWEIZER suppliers. The same applies to the low market share of European PCB manufacturers on the global market as a whole, which means that more and more European suppliers may run into turbulence and have to source all kinds of procurement volumes from conflict regions. Furthermore, global trade barriers in the form of high customs duties harbour a supply chain risk that should not be underestimated.

Legal requirements such as the LKSG (Supply Chain Duty of Care Act), CBAM (Carbon Border Adjustment Mechanism), CSDDD (Corporate Sustainability Due Diligence Directive) and Conflict Minerals Settlement make procurement options more difficult or further restrict them strategically.

Despite all the challenges, the procurement situation remained stable overall in 2024. Delivery times, particularly for the most important product group for SCHWEIZER

companies – base materials – are at the usual industry level.

Gas and electricity prices have stabilised – albeit at a high level. Due to possible trade conflicts, the predictability of materials and, above all, costs may be more uncertain in 2025 than in 2024.

FINANCIAL RISKS

Going concern of Schweizer Electronic AG (risk: high – opportunity: medium)

The continuing recession in Germany and the general sales crisis in the European automotive industry led to a significant drop in demand for the printed circuit boards produced at the Schramberg site. As a result of the low capacity utilisation of the plant, there was a decline in earnings and cash flow in particular. A continued downturn in business could mean that SCHWEIZER's planned turnover and earnings contributions are not achieved, which would also reduce the company's liquidity headroom. The equity ratio of Schweizer Electronic AG is 25.4 percent as at 31 December 2024 (2023: 25.5 percent) in accordance with HGB accounting.

The comparison of Schweizer Electronic AG's risk-bearing capacity and a worst-case scenario from the risk aggregation with a calculated probability of occurrence of a maximum of five percent resulted in sufficient risk coverage capital for 2024.

Market developments are continuously monitored by means of comprehensive and up-to-date reporting and appropriate mitigation measures are consistently introduced. In 2024, a comprehensive cost-cutting programme was implemented in addition to short-time working, which led to an extensive adjustment of capacities in production and administration, price reductions in procurement and a general reduction in overheads. In 2025, which will already see a significant reduction in the fixed cost threshold compared to the previous year, the implementation of short-time working and structural cost-cutting measures is still planned.

The expansion of our trading business opens up strategic prospects for SCHWEIZER to grow further in a price-sensitive market environment in transition in the automotive industry. In line with our Fab-light concept, the successful marketing of embedding technology will be realised in particular by manufacturing and sourcing printed circuit boards from our minority holding in Schweizer Electronic (Jiangsu) Co., Ltd. (SEC). This enables SCHWEIZER to hit the price points in the markets and thus benefit from the strongly increasing demand trend of our customers for applications in electromobility. Even after the capital increase by WUS in December 2024, SCHWEIZER will continue to have a significant influence on SEC through his remaining seat on the Supervisory Board. This emphasises the strategic importance of SEC for SCHWEIZER. Furthermore, the cooperation with our anchor investor WUS opens up the possibility for SCHWEIZER to also access the technologies of the other WUS plants. This gives us access to further product and segments that we have not previously worked in.

A review of the available liquidity for the next 12 months in the assumed planning scenario does not indicate a shortfall in the financing requirements of Schweizer Electronic AG and the Group at any time and the Executive Board therefore assumes that the company will continue as a going concern.

As a result of the accumulated losses of previous years and the net loss for 2024 of EUR -3.0 million, equity in the separate financial statements (HGB) fell from EUR 21.1 million to EUR 18.1 million. Group equity fell from EUR 29.3 million to EUR 21.6 million due to the negative consolidated result.

In the event of deviations from the plan scenario compared to the assumed economic trend as a result of a sustained weakness in demand, significant shortfalls in sales could occur in the forecast period and thus have a negative impact on cash flow. This could lead to a temporary shortfall liquidity and indicates that there is a significant uncertainty that could cast significant doubt on the ability to continue as a going concern and pose a risk to the company as a going concern.

Other capital procurement instruments, such as the issue of new shares, convertible bonds or corporate bonds, could be used to counter the risk and support growth and the necessary investments in the future.

OPERATIONAL RISKS

IT processes (risk: medium – opportunity: none)

SCHWEIZER'S business and production processes as well as internal and external communication are heavily dependent on IT systems and the associated IT infrastructure. These are exposed to various risks. In addition to general malfunctions or failures, which can occur for many reasons, cyber-attacks and cybercrime are the main risks. These include attempts by unauthorised third parties to access confidential information or data, take control of systems, publish data or render IT systems and data backups unusable, e.g. through encryption.

SCHWEIZER regularly takes technical and organisational measures to reduce the risk of impairments, IT system failures, cyber-attacks or similar events that could severely restrict or even interrupt the company's operations in the long term. These measures include rules and procedures for IT operations and IT security based on an information security management system. The IT architecture follows a zero-trust approach, which means that company data and systems are separated and isolated from the workstation systems. This significantly reduces the risk of a cyber-attack caused by human error. Training measures are also being expanded to increase staff awareness of the threat of cyber-attacks. To ensure the availability, integrity and confidentiality

of our data and our customers' data, SCHWEIZER follows recognised standards such as ISO27001 and TISAX. If the measures are not sufficient to effectively limit the aforementioned risks, SCHWEIZER could suffer considerable damage and disadvantages as a result of outages or the knowledge and use of its information by third parties.

Further risks arise from the increasing complexity of the organisational and technical networking of suppliers and customers. Despite extensive defence mechanisms and continuous measures and investments in IT security in 2024, a manufacturing industrial company cannot fully protect itself against the risks of cybercrime. The financial consequences of this are difficult to calculate. The specialist departments are in regular contact with the insurance company's experts to prevent damage. A corresponding cyber insurance policy has been extended.

SCHWEIZER sees opportunities above all in Industry 4.0 concepts and in the field of machine learning to further automate the software and production landscape and tap into new efficiency potential. In the area of machine learning and AI, the first areas, e.g. MS Copilot, have been implemented with AI-based support for tasks.

COMPLIANCE RISKS

Infringement of patents and copyrights (risk: low – opportunity: low)

There is an ever-increasing number of patents and industrial property rights in the field of electronics and printed circuit boards. An unintentional infringement of property rights in a series product creates the risk that products may no longer be manufactured or that licence fees may have to be paid to the owner of the property right. In order to minimise this risk, the internal stage-gate process during the development of a new product includes the examination of a potential infringement of property rights. Nevertheless, due to the often difficult interpretation of patents, a possible collision cannot always be ruled out.

In recent years, SCHWEIZER has invested more heavily in protecting its intellectual

property. This increases the chance of discovering or avoiding infringements of industrial property rights.

OVERALL ASSESSMENT

Germany's economic situation is characterised by structural challenges such as a shortage of skilled workers, stagnating productivity and high location costs. Growth prospects remain subdued, as geopolitical uncertainties, trade restrictions and a restrictive monetary policy pose further risks.

The sales forecast for SCHWEIZER for 2025 is within a range that allows for both stagnation and moderate growth compared to the 2024 financial year. However, a negative economic trend in the global markets could also result in a decline in business volume. The weak momentum in the automotive sector and subdued industrial growth continue to pose challenges. However, the chip embedding technology p2 Pack remains a key sales driver, particularly due to growing demand in the hybrid vehicle segment.

SCHWEIZER is meeting these challenges with a strategic focus on less price-sensitive customers and consistent cost optimisation at the German production site. The efficiency programme launched in 2024 is also expected to have a positive impact in 2025 with a significant reduction in the break-even point.

The success of the Fab-light concept is expected to accelerate, although the higher proportion of PCBs not produced in-house will have a dilutive effect on the profit margin. A positive EBITDA trend appears realistic, provided that no new global crises, e.g. as a result of an escalating trade war between the USA, China and Europe, have a negative impact on the economic recovery.

TAKEOVER-RELEVANT INFORMATION

(in accordance with Section 289a (1) and Section 315a (1) HGB)

Composition of the subscribed capital

The company's share capital of EUR 9,664,053.86 is divided into 3,780,000 no-par value registered shares. All shares in the company carry the same rights and obligations arising from the statutory provisions and the Articles of Association.

Restrictions relating to voting rights or the transfer of shares

The Executive Board is not aware of any restrictions relating to voting rights or the transfer of shares.

Direct or indirect shareholdings in the capital that exceed ten percent of the voting rights

Mr Christoph Schweizer, resident in Schramberg/Germany and WUS Printed Circuit (Kunshan) Co, Ltd, Kunshan/China, to which the voting rights of WUS International Company Limited, based in Tsuen Wan, New Territories/Hong Kong, and WUS Printed Circuit Co, Ltd, based in Kaohsiung/Taiwan, to which the voting rights of WUS Group Holding Co., Ltd, based in Tortola/British Virgin Island, are attributable, each hold more than ten percent.

Shares conferring special control rights

There are no shares conferring special control rights.

Type of voting right control for employee participation

There are no employee participation programmes or comparable arrangements in which employees participate in the capital without directly exercising their control rights.

Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Board of Directors and on amendments to the Articles of Association

The regulations governing the appointment and dismissal of members of the Executive Board are set out in Sections 84 and 85 of the German Stock Corporation Act and in Section 5 (2) of the company's Articles of Association as follows: The Supervisory Board determines the number and appointment of Executive Board members and the revocation of appointments, as well as the appointment of a member of the Executive Board as Chairman of the Executive Board. Deputy members of the Executive Board may be appointed.

The requirements for amending the Articles of Association are set out in Sections 179 to 181 of the German Stock Corporation Act and in Section 17 (2) of the Articles of Association. The Annual General Meeting has authorised the Supervisory Board to make amendments and additions to the Articles of Association that only affect the wording (see Section 12 of the Articles of Association).

Authorisation of the Executive Board to issue and buy back shares

Authorised capital

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital by up to a total of EUR 4,832,026.93 for cash or contributions in kind by issuing new registered ordinary or preference shares (no-par-value shares) once or more times (authorised capital). The authorisation encompasses the power to issue further preferred shares (with or without voting rights) in the case of the multiple issue of preferred shares, which have priority over or are equal to the preferred shares issued earlier, when distributing the profits or assets of the company. The new shares must, in principle, be offered to the shareholders to purchase. The Executive Board is however authorised, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription right under the conditions of the resolution of the Annual General Meeting of 25 June 2021.

The Executive Board may only avail of the aforementioned authorisation to exclude the subscription right to such an extent overall that the pro-rata amount of the shares issued subject to the exclusion of the subscription right does not exceed 20 percent of the share capital (20-percent limit), neither on the date the resolution is passed on this authorisation nor at the time of its utilisation.

Insofar as use is made, during the term of the authorised capital until its use, of other authorisations to issue or to sell company shares or to issue rights that allow the purchase of company shares or make it obligatory, while the subscription right is excluded, this must be credited against the aforementioned 20-percent limit.

Convertible bonds, inter alia, conditional capital

The Executive Board is authorised, subject to the consent of the Supervisory Board, until 24 June 2026, to issue bearer or registered convertible bonds, warrant bonds, participation rights, participation bonds or combinations of these instruments (jointly referred to as "bonds") with or without a restriction on maturity in a total nominal amount of up to EUR 35,000,000 and to grant the bearers and/or creditors of convertible or warrant bonds conversion or option rights to new, registered no-par-value shares of the company with a pro-rata amount of the share capital of up to EUR 4,832,026.93 overall. The issue can also be made against contributions in kind. The shareholders generally have a subscription right. However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription right under certain conditions.

Any issue of bonds for which the subscription right is excluded may only take place subject to the aforementioned authorisation, if the calculated share of the share capital attributable to the sum of new shares to be issued on the basis of such a bond does not exceed 20 percent of the share capital, neither on the effective date nor, if this value is less, at the time the authorisation is exercised. Shares that are issued or sold or that will be issued during the term of this authorisation on the basis

of another authorisation, for which the subscription right is excluded are credited against this limit.

The share capital of the company is conditionally increased by up to EUR 4,832,026.93 through the issue of up to 1,890,000 new, registered no-par-value shares (conditional capital). The conditional capital increase shall only be implemented insofar as the bearers and/or creditors of conversion or option rights or those parties subject to a conversion obligation arising from bonds, which the company or a Group company issued on the basis of the authorisation resolution of the Annual General Meeting of 25 June 2021 through to 24 June 2026, exercise their conversion or option rights or those bearers/creditors of issued bonds subject to a conversion obligation fulfil their obligation to convert or if the company exercises an option to grant, in whole or in part, no-par-value shares in the company instead of the payment of the due monetary amount and insofar as no treasury shares or other forms of fulfilment are used to service these rights. The new shares shall be issued at the conversion or option price to be determined in each case in accordance with the aforementioned authorisation resolution in the terms and conditions of the bonds/options. The new shares participate in profits from the start of the business year in which they come into being through the exercise of conversion or option rights, through the fulfilment of conversion obligations or through the exercise of put options. The Executive Board is authorised, with the consent of the Supervisory Board, to define the further details of the implementation of the conditional capital increase.

Authorisation to acquire treasury shares and use thereof

The company is authorised, until 24 June 2026, to acquire its own shares up to a total of 10 percent of the share capital of EUR 9,664,053.86 existing at the time the resolution was adopted or – if this value is less – the share capital existing at the time the authorisation is exercised. At no time may more than 10 percent of the relevant share capital of the company be attributable to the shares acquired on the basis of this authorisation together with other shares of the company which the company had

already acquired or still owns or which are assigned to it in accordance with Sections 71 et seq. AktG. The authorisation may not be used by the company for the purposes of trading in own shares; otherwise the determination of the purpose of the acquisition is left to the discretion of the Executive Board. The Executive Board may choose to acquire shares via the stock market, via a public purchase offer aimed at all shareholders of the company or via a public invitation to the shareholders to submit offers to sell.

Further details can be found in the publicly accessible invitation to the 2021 Annual General Meeting at:

<https://schweizer.ag/investoren-und-medien/hauptversammlung/archiv> described.

Compensation agreements of the company

In the event of premature termination of an Executive Board member's contract of employment as a result of a change of control, Executive Board members are entitled to a compensation and severance payment limited to three years' compensation. The calculation of the relevant annual remuneration is based on the average of the total remuneration for the last three financial years prior to their exit.

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement in accordance with Sections 289f and 315d HGB is part of the summarised management report and can be found in the "Corporate governance statement" section of the annual report and on the website at <https://schweizer.ag/en/investors-media/corporate-governance-en>.

NON-FINANCIAL REPORT OF THE COMPANY AND THE GROUP

The non-financial statement is in the form of a non-financial report for the company and the Group as a separate section in the Annual Report and on the website at: <https://schweizer.ag/en/the-company/csr-1>.

Schramberg, 16 April 2025

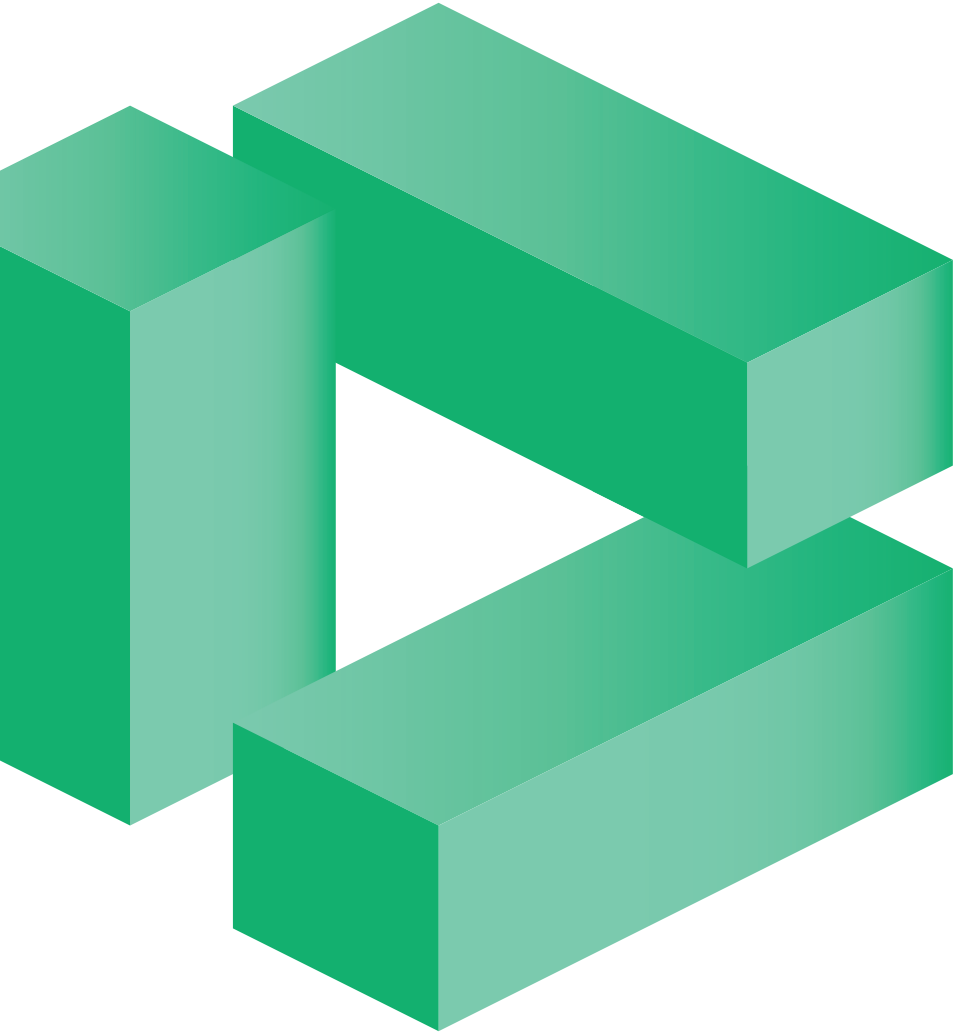
Schweizer Electronic AG

The Executive Board

(Nicolas-Fabian Schweizer)

(Marc Bunz)

(Thomas Gottwald)



NON- FINANCIAL REPORT

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SUSTAINABILITY STATEMENT

1. GENERAL INFORMATION

SCHWEIZER is a manufacturer of printed circuit boards that meet the most diverse requirements in various industries and markets. Our innovative PCB technologies are used in vehicles, aerospace, industrial and medical technology as well as in communication and computer applications. Leading companies around the world rely on SCHWEIZER'S innovative strength, our decades of experience and the outstanding product and service quality of our PCB and embedding solutions. In addition, SCHWEIZER'S PCB technologies are used in our customers' energy and environmentally friendly applications.

We are committed to acting sustainably. This includes the continuous improvement of quality, the environment, energy and occupational safety in harmony with other corporate objectives.

1.1 BASIS FOR THE PREPARATION OF THE SUSTAINABILITY DECLARATION [BP-1] [BP-2]

This consolidated sustainability statement of the SCHWEIZER Group was prepared for the first time in accordance with the European Corporate Sustainability Reporting Directive (CSRD), partially applying the European Sustainability Reporting Standards (ESRS). The scope of consolidation of this sustainability statement corresponds to the scope of consolidation of the consolidated financial statements of the SCHWEIZER Group. All information and data relate to the year 2024, whereby the reporting period corresponds to the calendar year (1 January to 31 December 2024).

This sustainability statement describes the business model, business development, the situation of the Group and the impact of its activities. The content relates to the concepts and measures that the company has defined in order to manage its material sustainability-related impacts, risks and opportunities, as well as the targets and key figures for measuring the effectiveness of these concepts and measures. The material impacts, risks and opportunities associated with the company through its activities and through direct and indirect business relationships in the upstream and/or downstream value chain are considered.

In accordance with the requirements of the German CSR-RUG, the identified material sustainability aspects can be categorised as statutory matters in accordance with Section 289c (2) HGB and Section 315b HGB:

Non-financial matters	Material sustainability aspects
Respect for human rights	Human rights in the upstream value chain (S2)
Combating corruption and bribery	Although the fight against corruption and bribery is not considered a material topic in our materiality analysis, it is not a material issue. We have anchored corresponding and behavioural guidelines in our Code of Conduct.
Environmental concerns	Climate protection (E1) Adaptation to climate change (E1) Environmental pollution (E2) Water (E3) Circular economy (E5)
Employee concerns	Secure employment and remuneration (S1) Workload and health (S1) Training (S1) Labour and human rights in own business area (S1) Unused optimisation potential (S1 - company-specific)
Social issues	Social issues are not a material topic according to the materiality analysis carried out and are therefore not reported.
Other matters	Data protection and cyber security (G1 - company-specific) External dependencies on the market and market conditions (G1 - company-specific) Risk management (G1 - company-specific)

This sustainability declaration does not contain any information relating to intellectual property, expertise or the results of innovations. In the context of this report, SCHWEIZER has made use of exceptions with regard to upcoming developments or matters that are in the negotiation phase. Furthermore, the sustainability statement does not contain any information on dedicated risk management measures that contain sensitive strategic information on corporate governance.

The "Disclosures related to specific circumstances" required in SCHWEIZER'S reporting on value chain estimates, sources of estimation and earnings uncertainty, changes in the preparation or presentation of sustainability information, errors in reporting in previous reporting periods, disclosures required by other legislation or generally recognised sustainability reporting pronouncements are either included directly in the topic-specific chapters or are not relevant for SCHWEIZER in the first year of reporting.

We use the following time horizons for our sustainability reporting:

- Short-term: Corresponds to the reporting period
- Medium-term: Corresponds to the end of the short-term time horizon of up to 5 years
- Long-term: Corresponds to more than 5 years

SCHWEIZER utilises the transitional provisions for companies with fewer than 750 employees in accordance with Annex C of ESRS 1 for ESRS S1 and ESRS S2. The material sustainability aspects relating to these transitional arrangements can be found in the table below:

Sustainability aspect	Stand	Topic (according to ESRS 1, AR 16)	Sub-topic (according to ESRS 1, AR 16)	Sub-sub-topic (according to ESRS 1, AR 16)
Secure employment and remuneration	ESRS S1	Labour force of the company	Working conditions	Adequate remuneration, secure employment
Workload and health	ESRS S1	Labour force of the company	Working conditions	Work-life balance, health protection and safety
Further training	ESRS S1	Labour force of the company	Equal treatment and equal opportunities for all	Further training and skills development
Employee and human rights in our own business area	ESRS S1	Labour force of the company	Other labour-related rights	
Unused optimisation potential (company-specific)	ESRS S1	Labour force of the company		
Human rights in the upstream value chain	ESRS S2	Labour force in the value value chain	Other labour-related rights	Child Labour, Forced Labour, Forced accommodation

An abridged summary of the concepts, objectives, measures and key figures for all material sustainability aspects can be found in the topic chapters for ESRS S1 and ESRS S2.

1.2 SUSTAINABILITY AND GOVERNANCE

Composition of the administrative, management and supervisory bodies [GOV-1]

As at 31 December 2024, the **Executive Board** of SCHWEIZER consisted of three members: Mr Nicolas-Fabian Schweizer, Mr Marc Bunz and Mr Thomas Gottwald (member of the Executive Board since 1 May 2024). With regard to the activities and mandates within the Group, other activities and mandates as well as the professional background, please refer to the Annual Report (Annual Financial Statements/Notes/7.4 Executive bodies).

Nicolas-Fabian Schweizer

Chairman of the Executive Board / CEO

Responsible for Sales & Marketing, Human Resources, Legal and Media & Communications (PR).

Marc Bunz

Deputy Chairman of the Executive Board / CFO

Responsible for Trading & Supply Chain, Finance & Controlling, Information Technologies and Investor Relations.

Thomas Gottwald

Chief Technology Officer

Responsible for Operations (Production Germany), Technology and R&D.

The proportion of women on the **Executive Board** as at 31 December 2024 is zero percent. In its resolution dated 11 April 2022, the Supervisory Board set targets for the composition of the Executive Board. These relate to diversity in its composition and are valid until 31 December 2026. In the event of an expansion of the Executive Board to more than three members, the Supervisory Board has set itself the goal of filling this position with a woman.

In accordance with the Articles of Association, the **Supervisory Board** consists of six members, two of whom are elected by the employees (in accordance with the One-Third Participation Act) and four of whom are elected by the Annual General Meeting. As at 31 December 2024, the Supervisory Board was composed exclusively of men. Until the Annual General Meeting on 28 June 2024, five men and one woman were represented on the Supervisory Board. The proportion of women on the Supervisory Board up to this date was therefore 17 percent. In its resolution of 11 April 2022, the Supervisory Board set targets for its composition. This target composition includes members with international experience and independent members on the Supervisory Board and at least one Supervisory Board seat should be held by a woman.

SCHWEIZER employees are represented by a works council.

Duties and responsibilities of the members of the administrative, management and supervisory bodies [GOV-1]

Schweizer Electronic AG is a stock corporation under German law and has a dual management system consisting of an Executive Board and a Supervisory Board. The Executive Board manages the company in accordance with the statutory provisions, the articles of association and the rules of procedure. The Supervisory Board monitors, advises and supports the Executive Board in its activities. The Supervisory Board applies appropriate criteria when selecting candidates for a position on the Executive Board in order to ensure that the members of the Executive Board have suitable expertise and experience in the areas for which they are responsible. In the Supervisory Board's view, the basic suitability criteria are professional qualifications for the respective area, convincing leadership qualities, previous performance and knowledge of the company.

Sustainability issues are coordinated by a sustainability manager from the Finance & Controlling department in collaboration with the heads of the specialist departments. This year, SCHWEIZER conducted a materiality analysis for the first time. The

company carries out a materiality analysis in accordance with the principle of double materiality in preparation for the reporting requirements of the CSRD. By actively involving the Executive Board members in the implementation and monitoring of this materiality analysis and consulting external experts, the Executive Board members have the necessary knowledge to expand SCHWEIZER's sustainability management and reporting in accordance with the requirements of the CSRD and embed it in the company's strategic orientation.

The effects, risks and opportunities are monitored by the Finance & Controlling department in coordination with the Executive Board. The Supervisory Board was comprehensively informed about the implementation and results of the materiality analysis and will continue to be involved in the topic at its meetings in the future. Sustainability-related risks and opportunities have already been integrated into the existing risk management system. The management of impacts will be integrated into the existing internal control system in future. With regard to material impacts, risks and opportunities, targets are defined together with the Executive Board and anchored in the corporate strategy and operational plans. Appropriate measures are implemented to monitor progress towards the achievement of targets.

Availability of appropriate skills and expertise to monitor sustainability aspects [GOV-1]

The Executive Board members demonstrate suitable expertise in the area of sustainability. All members of the Executive Board have many years of experience in the areas for which they are responsible, which also include sustainability aspects such as the use of resources, social responsibility towards their employees, information and customer security and compliance. Overall, the Supervisory Board covers a comprehensive area of expertise. However, not every member of the Supervisory Board needs to have all of these competences. Rather, the totality of knowledge, skills and professional experience is understood as the sum of all individual knowledge, skills and experience of the individual Supervisory Board

members. The area of sustainability is covered in particular by the members of the Audit Committee through their professional experience and expertise as well as their further training (e.g. information event organised by the auditor) in the areas of sustainable corporate governance, environmental social governance (ESG) and corporate social responsibility (CSR).

Information and sustainability aspects addressed by the organisation's administrative, management and supervisory bodies [GOV-2]

The Executive Board and Supervisory Board attach great importance to sustainable, long-term corporate management. For this reason, both strategic decision-making and operational management are equally influenced by ecological, economic and social factors. At SCHWEIZER, strategic responsibility for sustainability lies with the Executive Board. This is where the control and management of the key aspects of sustainability are monitored. As Chairman of the Executive Board, Nicolas-Fabian Schweizer is responsible for SCHWEIZER's sustainability organisation. The members of the Supervisory Board are also informed about sustainability performance at the Audit Committee and Supervisory Board meetings. In addition, the Executive Board and the Audit Committee of the Supervisory Board were involved at all times in the materiality analysis process and the resulting decision-making issues.

At an operational level, sustainability is managed by the risk owners and specialists. In order to continuously improve sustainability performance, environmental and social targets are set in consultation with the Executive Board. The relevant sustainability aspects are also part of the risk management reporting and the annual management reviews by the Executive Board. The Executive Board members analyse and evaluate the status of target fulfilment, make recommendations and identify potential for improvement. In this way, sustainability is comprehensively and systematically integrated into SCHWEIZER's corporate management strategy to ensure sustainable

development.

The following table shows the main effects, risks and opportunities dealt with by the administrative, management and supervisory bodies or their responsible committees during the reporting period:

Sustainability aspect	Board / Committee	Meeting
Climate protection	Executive Board / Supervisory Board	Definition of key ESG objectives by the Executive Board in February 2024
Adaptation to climate change		
Environmental pollution		
Water		
Circular economy		Presentation of the results of the materiality analysis in October 2024
Secure employment and remuneration		
Workload and health		Audit Committee meeting of the Supervisory Board in September 2024
Further training		
Employee and human rights in our own business area		
Unused optimisation potential		
Human rights in the upstream value chain		
Data protection and cyber security		
External dependencies on the market and market conditions		
Risk management		

Inclusion of sustainability-related performance in incentive systems [GOV-3] [E1, GOV-3]

The Executive Board's remuneration includes both fixed and variable remuneration components. As part of the long-term variable remuneration, non-financial target criteria are also agreed with the members of the Executive Board to support the sustainable development of the company. The Supervisory Board decides on the

amount of the company factor (degree of target achievement). The company factor influences the amount of the long-term variable remuneration by between plus and minus 20 percent.

Climate-related considerations have not yet been included in the remuneration of Executive Board and Supervisory Board members. As a result, there is no assessment of performance in relation to GHG emission reduction targets for 2024.

Declaration on due diligence [GOV-4]

The following table shows the application of the most important aspects and steps of the due diligence process and indicates where in the sustainability statement we provide information about our due diligence processes:

Core elements of due diligence	Paragraphs in the Sustainability declaration
Integration of due diligence into governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
Involvement of affected stakeholders in all key due diligence steps	ESRS 2 GOV-2, ESRS 2 SBM-2, ERSR 2 IRO-1, ESRS 2 MDR-P, Thematic ESRS
Identification and assessment of negative impacts Measures to counter these negative effects	ESRS 2 IRO-1, ESRS 2 SBM-3 ESRS 2 MDR-A, Thematic ESRS
Tracking the effectiveness of these efforts and communication	ESRS 2 MDR-M, ESRS 2 MDR-T, Thematic ESRS

Risk management and internal controls for sustainability reporting [GOV-5]

ESG-related risks and opportunities are integrated into SCHWEIZER'S risk early warning system. The information and findings contained in the risk reports are used in the sustainability statement. The due diligence obligations are complied with in accordance with the internal control system when preparing the sustainability statement. The risk reporting, which takes place twice a year, ensures that risks and opportunities, measures and target achievement are validated by the risk owners and specialist departments in full in terms of process and content. For further quality control, the report content is validated by the appointed corporate risk manager and discussed with the risk owners and corrective measures are initiated. The risk manager reports to the Executive Board. In an annual Executive Board assessment, the relevance of existing risks and opportunities is reassessed and additional ESG matters that have occurred or are foreseeable are added to the risk inventory.

SCHWEIZER pursues a structured concept for managing risks in connection with sustainability reporting. The aim is to ensure the quality and reliability of the sustainability statement and to minimise potential sources of error at an early stage. A key risk in this process is the possibility of transmission errors, incomplete or incorrect data and the misinterpretation of information. To meet these challenges, SCHWEIZER relies on systematic data collection and quality assurance. The content of the sustainability statement is prepared by recognised experts and checked in a multi-stage review process. This involves an initial validation by internal specialist departments, followed by a final review by the Executive Board. In addition, standardised processes and control mechanisms are implemented to ensure the accuracy and consistency of the reporting information. This includes regular training for internal

employees, standardised reporting formats and close coordination with the relevant stakeholders.

1.3 BUSINESS MODEL AND STRATEGY [SBM-1]

Core elements of the general strategy

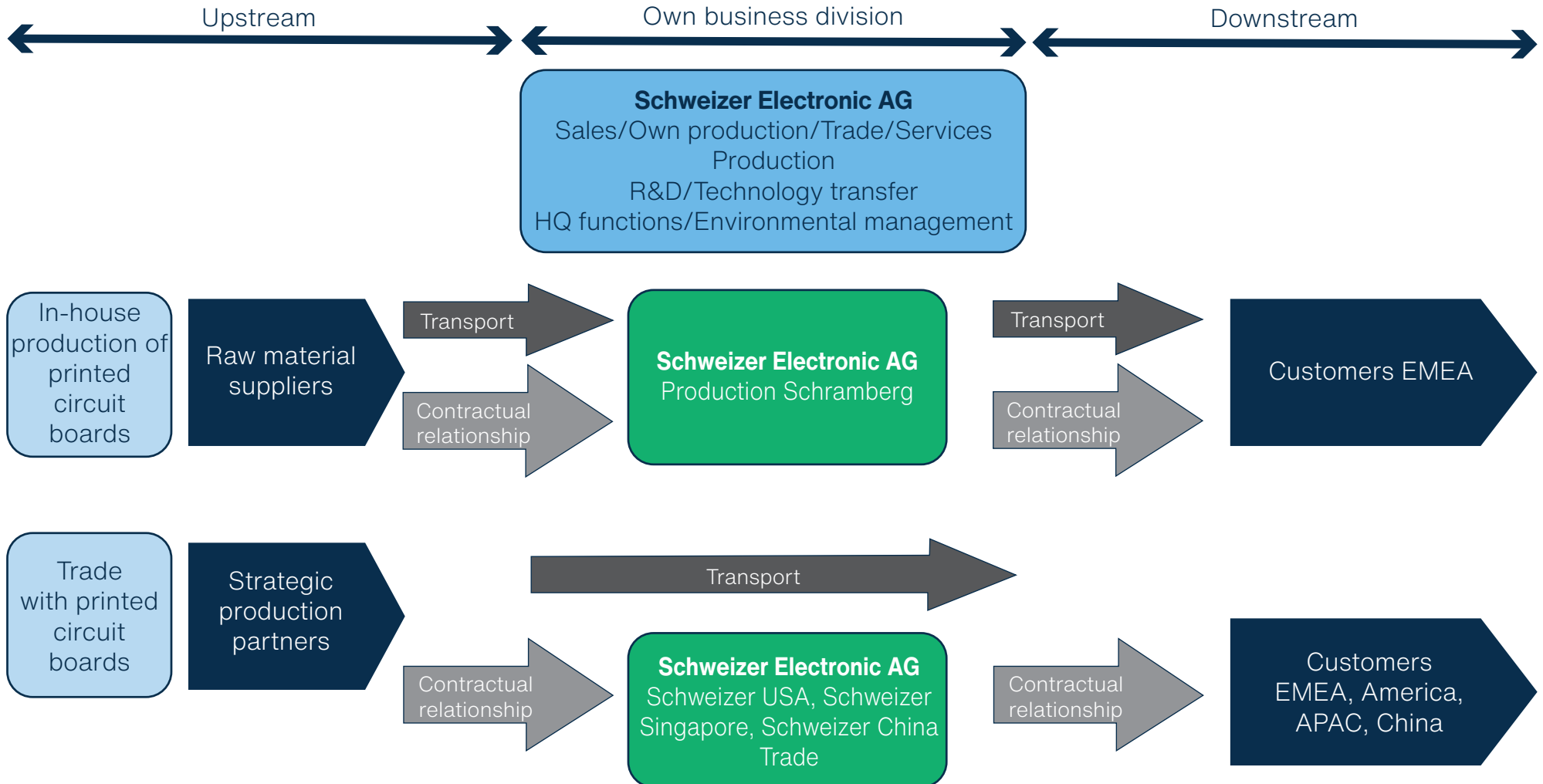
SCHWEIZER has internationally recognised expertise in the development and manufacture of printed circuit boards. In addition to the main automotive market, our products are increasingly finding their way into aviation and industrial applications. With conventional PCB technology, SCHWEIZER has also gained an established position in the more complex application areas of sensor technology and power electronics over many years. From simple 2-layer circuits to innovative high-current, logic or radar assemblies, SCHWEIZER offers a comprehensive range of technologies and solutions for the most demanding requirements. In addition, our embedding technology, which represents the integration of a power semiconductor into the PCB, enables the realisation of customer innovations in the fields of electromobility and renewable energies. The use of this energy-saving technology makes an important contribution to a sustainable economy and protecting the environment. Our products thus conserve resources for the future of our children.

We attach great importance to resource-conserving production and plan to reduce our CO₂-emissions in Scope 1 and 2 by 20 percent compared to the base year 2019. For our global activities, we employ 501 people in Germany, 20 people in Asia and one person in the USA. We want to utilise the diversity, innovative strength and skills of our employees in order to maintain our quality and premium standards. We demand unconditional compliance with high environmental and social standards from our suppliers by committing them to a Code of Conduct. SCHWEIZER is increasingly focusing on digitalisation in the areas of production, supply chain and finance. We are investing in data protection and IT security to ensure that the sensitive data of our customers and employees is optimally protected.

Our business model and the value chain

Technological advice on the optimum PCB solution to optimise the customer's overall system sets SCHWEIZER apart from the competition. In order to be able to serve our customers' technologically complex application areas on the one hand and to fulfil the price points for the sale of conventional PCB technologies on the other, SCHWEIZER pursues a dual strategy of in-house manufactured and externally sourced PCBs.

We deliver to Europe, Asia, America and other countries to meet the needs of our automotive, industrial and other customer groups. Direct sales are handled by our company Schweizer Electronic AG, which supplies products manufactured in-house, carries out basic development and provides customers with technical advice, as well as our sales subsidiaries in Singapore, China and the USA. In various markets, we work together with our sales partners NAGASE & Co., Ltd (Japan), Variokorea Co., Ltd (South Korea), Nisko Projects (Israel) and Trilogy (USA). SCHWEIZER procures basic materials, chemicals, paints, wear tools and IT services for its in-house production from a large number of suppliers in Germany and abroad. Around 100 suppliers account for 80 percent of the procurement volume. We source the PCBs we trade from our strategic partners, such as Schweizer Electronic (Jiangsu) Co., Ltd., China (WUS-SEC) (a minority shareholding of Schweizer Electronic AG amounting to 16 percent), the WUS Group (an anchor shareholder of Schweizer Electronic AG) and other PCB manufacturers in Asia. Here, the supply chain corresponds to a triangular business.



1.4 INTERESTS AND POSITIONS OF STAKEHOLDERS [SBM-2]

The relationships along the value chain were assigned to the stakeholder groups that could potentially be affected by SCHWEIZER'S business activities along the value chain.

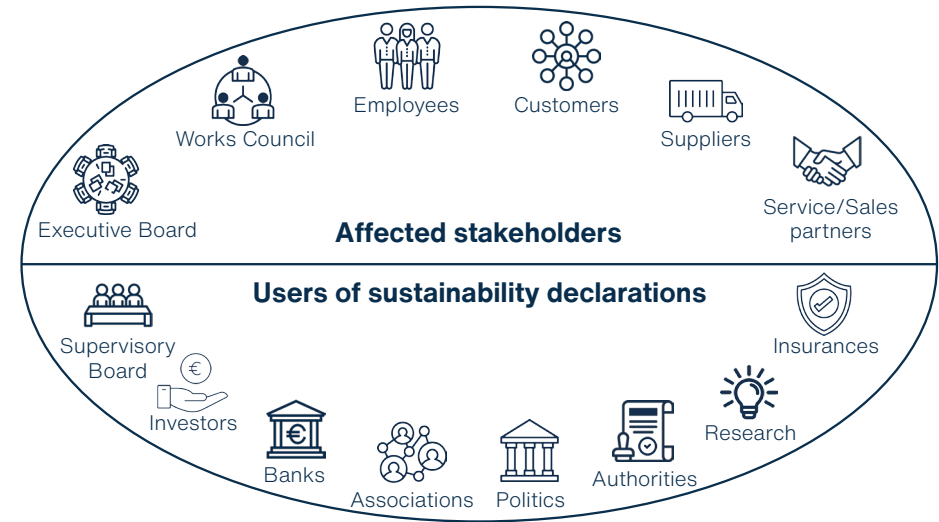
The following aspects were evaluated to assess the impacts, risks and opportunities along the value chain:

- Location and characteristics of suppliers, even beyond the first level of the upstream supply or value chain;
- Users of the services and goods;
- how the goods are treated as waste at the end of their life cycle, and
- who could be affected by services and goods.

Involving our stakeholders promotes dialogue, strengthens trust and to SCHWEIZER'S long-term competitiveness. In the 2024 financial year, we therefore identified our most important stakeholder groups in a systematic selection process. The final selection was confirmed by our Executive Board.

We differentiate between:

- **Stakeholders** who are directly by our sustainability activities.
- **Users of sustainability statements** who interested our sustainability topics.



The stakeholder groups identified as relevant were actively involved in the materiality analysis process. A comprehensive stakeholder survey enabled us to record their views and concerns with regard to sustainability issues. Representatives were asked about the three central topics:

- Environment (e.g. emissions, resource utilisation, climate change)
- Social (e.g. working conditions, human rights, diversity)
- Governance (e.g. corporate ethics, transparency, compliance)

The findings were channelled into two key areas::

1. Identification and assessment of material sustainability impacts: Stakeholder opinions formed an essential basis for IRO (Impact, Risk, Opportunity) identification.
2. Strategic alignment of the sustainability strategy: The stakeholder feedback helped us to develop our sustainability strategy in a future-oriented manner and optimise them.

1.5 MATERIAL SUSTAINABILITY ASPECTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3] [E1, SBM-3]

The table below shows the main effects, risks and opportunities for our business model, our value chain and our strategy and decision-making:

Sustainability aspect	Auswirkungen / Risiken / Chancen	ESRS topic or company-specific	Position in the value chain	Companies / locations affected / Business lines etc.	Description of the activities that lead to the IROs	Influence on strategy, BM, value chain, decision-making	Expected time horizons for effects
Climate protection	<p>I.1 Direct emissions (Scope 1),</p> <p>I.2 Indirect emissions (Scope 2),</p> <p>I.3 Indirect upstream emissions (Scope 3),</p> <p>I.4 Indirect downstream emissions (Scope 3),</p> <p>I.5 Positive impact on the energy and greenhouse gas balance in the downstream value chain thanks to energy-saving and more efficient printed circuit boards</p>	ESRS E1 and company-specific (I.5)	Own business unit and upstream and downstream value chain	Entire SCHWEIZER Group	<p>The production of printed circuit boards generates direct emissions in our own business division, indirect emissions through the purchase of energy (Scope 2) and indirect emissions in the upstream and value chain (Scope 3). GHG emissions can be saved by using SCHWEIZER's PCBs.</p>	<p>As a leading manufacturer of printed circuit boards, we at SCHWEIZER recognise our responsibility to a positive contribution to climate protection, which is why we have set ourselves targets for Scope 1 and 2 emissions. The reduction of CO₂-emissions offers us a strategic advantage that strengthens our competitiveness: for an energy-intensive company like SCHWEIZER, the issue of energy efficiency is particularly important not only in terms of conserving resources, but also with regard to cost management.</p>	short term
Adaptation to climate change	<p>RO.8 – Business interruption due to internal events (e.g. fire), natural disasters or other external events</p> <p>RO.25 – Market development potential</p>	ESRS E1	Own business division	Entire SCHWEIZER Group	<p>Climate change is leading to an increase in extreme weather events such as floods, storms and heatwaves. These can damage production facilities, interrupt supply chains and disrupt the availability of raw materials. At the same time, the demand for more energy-efficient and environmentally friendly products offers considerable growth opportunities for efficiency-enhancing printed circuit boards.</p>	<p>Identifying and minimising the risks that can arise from climate change is essential. As the consequences of climate change can lead to business interruptions - both in our own business area and in the value chain - we take this risk into account.</p> <p>Energy efficiency is one of the key market drivers of our PCB business. Our printed circuit boards help our customers in the automotive sector to increase the fuel efficiency of their vehicles and CO₂-emissions and offer us corresponding growth opportunities.</p>	medium term

Sustainability aspect	Effects / risks / opportunities	ESRS topic or company-specific	Position in the value chain	Companies / locations affected / Business lines etc.	Description of the activities that lead to the IROs	Influence on strategy, BM, value chain, decision-making	Expected time horizons for effects
Environmental pollution	<p>I.8 – Air, soil and water pollution in our own business area</p> <p>I.9 – Air, soil and water pollution in the value chain</p> <p>I.10 – Air, soil and water pollution in the downstream value chain</p>	ESRS E2	Own business unit and upstream and downstream value chain	Entire SCHWEIZER Group	SCHWEIZER's activities cause air, soil and water pollution both in its own business area and in the upstream and downstream value chain.	Minimising air, soil and water pollution is strategically important for SCHWEIZER companies in order ensure compliance with regulatory requirements. On the other hand, this can reduce costs and thus offer SCHWEIZER a competitive advantage.	short term
Water	<p>I.14 – Water consumption (separate business division)</p> <p>I.15 – Discharge of water (separate business area)</p>	ESRS E3	Own business division	Schramberg site	The manufacture of a printed circuit board involves many water-intensive processes, so the consumption of fresh water and the quantity and treatment of wastewater are important indicators for assessing the on the environment.	In order to promote the responsible use of water, SCHWEIZER actively monitors water consumption on a regular basis. On this basis, water consumption and the discharge of water can be reduced.	short term
Circular economy	<p>I.20 – Contribution to increasing the volume of waste</p> <p>RO.6 – Dependence on raw material suppliers and transport routes</p>	ESRS E5	Own business division	Schramberg site	<p>The waste generated in SCHWEIZER's production process and processed waste disposal companies has a negative impact the environment.</p> <p>There is also the risk of supply gaps from raw material suppliers, delivery delays to customers, delivery failure and disruption or cancellation of transport routes due to dependencies on raw material suppliers and transport routes.</p>	<p>One of SCHWEIZER's key steps towards a circular economy is the separation of all waste. This is the basic prerequisite for being able to reduce waste, which also a strategic goal at SCHWEIZER.</p> <p>SCHWEIZER tries to minimise the risk of dependency by relying on different raw material suppliers, forwarding agents and transport routes.</p>	short term
Secure employment and remuneration	<p>I.21 – Contribution to long-term and secure jobs</p> <p>I.22 – Social and financial security for employees (separate business division)</p>	ESRS S1	Own business division	Entire SCHWEIZER Group	SCHWEIZER has been a employer in Schramberg and the region for 175 years, making a positive contribution to the development the labour market. As an employer, SCHWEIZER contributes to the social and financial security of its employees through secure employment.	Secure employment and remuneration are key factors in employee satisfaction. In order to be perceived as an attractive employer in the long term and thus attract employees to the company, this topic is particular relevance in strategic decisions.	short term

Sustainability aspect	Effects / risks / opportunities	ESRS topic or company-specific	Position in the value chain	Companies / locations affected / Business lines etc.	Description of the activities that lead to the IROs	Influence on strategy, BM, value chain, decision-making	Expected time horizons for effects
Workload and health	<p>I.24 – Negative impact on the work-life balance of employees</p> <p>I.25 – Mental strain on employees due to stress</p> <p>I.26 – Impairment of physical health through the use of chemicals and occupational accidents</p> <p>I.28 – Positive impact employee health and well-being -security in our own business area</p>	ESRS S1	Own business division	Entire SCHWEIZER Group	<p>Various factors can lead to high workloads and effects on the health of employees can have a negative impact on the health of our employees. In addition to work and commuting accidents, shift work, for example, can increased work stress, which can have a negative impact on physical and mental health. SCHWEIZER contributes to this, e.g. through occupational health management. This helps to ensure that the health of employees is positively influenced.</p>	The topic of workload and is firmly anchored in our strategic concepts. Above all our company health management system, safety specialists, safety officers and safety inspections of workplaces and risk assessments enable us to make important decisions to ensure the health and safety of our employees.	short term
Further training	I.32 – Contribution to employee development through further training	ESRS S1	Own business division	Entire SCHWEIZER Group	Experienced employees are supported through internal and external training programmes.	The topic of further training is another important factor in employee satisfaction. The further of our employees is also great strategic relevance, as the knowledge and skills of our employees are essential for the long-term success of the company. The further training of our employees maintains and increases SCHWEIZER's ability to innovate and compete and enables us to successfully align our business model.	short term
Employee and human rights in our own business area	I.34 – Disregard for labour and human rights in own business area	ESRS S1	Own business division	Entire SCHWEIZER Group	Situations can potentially arise in which employee rights are not observed, as unpaid overtime, or non-compliance with prescribed break times, etc. Situations can potentially arise in which employees are treated inhumanely.	Ethical principles and, above all, compliance with all internationally recognised employee and human rights the entrepreneurial basis for SCHWEIZER. SCHWEIZER therefore attaches the utmost importance to ensuring that all labour and human rights as well as national are observed, both in its own business operations and in the value chain.	short term

Sustainability aspect	Effects / risks / opportunities	ESRS topic or company-specific	Position in the value chain	Companies / locations affected / Business lines etc.	Description of the activities that lead to the IROs	Influence on strategy, BM, value chain, decision-making	Expected time horizons for effects
Unused optimisation potential	RO.8 – Unutilised optimisation potential (e.g. expansion management competences, increasing process efficiency)	Company-specific	Own business division	Entire SCHWEIZER Group	If managers do not receive sufficient training in management methods and no measures are implemented to continuously improve production processes and workflows, risks of lower productivity can arise. This can lead to increased labour costs and longer production times.	It is essential for SCHWEIZER to maintain its competitiveness. Unused optimisation potential is therefore identified in order to take measures and strategic decisions on this basis.	short term
Human rights in the upstream value chain	I.37 – Human rights violations in the upstream value chain I.38 – Contribution to human rights violations in the value chain through the procurement of conflict materials	ESRS S2	Upstream value chain	Entire SCHWEIZER Group	Particularly in the extraction and processing of raw materials and through the purchase of conflict materials can directly or indirectly finance human rights violations for workers in the upstream value chain as well as armed conflicts.	Ethical principles and, above all, compliance with all internationally recognised employee and human rights the entrepreneurial basis for SCHWEIZER. SCHWEIZER therefore attaches the utmost importance to ensuring that all labour and human rights as well as national are observed, both in its own business operations and in the value chain.	short term
Data protection and cyber security	I.42 – Damage to customers due to data breaches or loss of customer data RO.17 – Cyberattacks	Company-specific	Own business division	Entire SCHWEIZER Group	The loss of business/customer data can significant negative consequences for the respective (business) customers and damage them in the short and long. In addition, individual processes can be by cyber-attacks, which can lead to financial losses.	The protection of sensitive customer data is of strategic importance to us, as it strengthens the trust of our customers and minimises legal risks. Our cyber- and information measures ensure protection against data loss and cyber-attacks, which safeguards the continuity and integrity of our business model. In view of the sharp increase in cyberattacks worldwide, this topic becoming increasingly relevant for us. Data protection guidelines are essential for us in order to fulfil legal requirements and maintain our reputation.	short term

Sustainability aspect	Effects / risks / opportunities	ESRS topic or company-specific	Position in the value chain	Companies / locations affected / Business lines etc.	Description of the activities that lead to the IROs	Influence on strategy, BM, value chain, decision-making	Expected time horizons for effects
External dependencies on the market and market conditions	<p>RO.1 – Adaptation to market changes as a result of in the automotive sector, the prospects and financial strength of major customers and the availability of components</p> <p>RO.5 – Stable partnership with WUS / SEC with regard to synergy and cooperation advantages</p> <p>RO.7 – Safeguarding common interests in the context of co-operation with WUS / SEC</p> <p>RO.8 – Legal and regulatory risks</p> <p>RO.8 – External market conditions (e.g. economic fluctuations, changes in customer behaviour)</p>	Company-specific	Own business division	Entire SCHWEIZER Group	SCHWEIZER is affected to various risks that can affect its competitiveness and long-term stability. These include on market changes, economic fluctuations or customer behaviour as well as legal and regulatory risks. There are also risks in context of co-operations with strategic partners.	External dependencies on the market and market conditions play a strategic role in our business model and our decisions. In the automotive sector can have a significant impact on our business activities, especially if the liquidity of our major customers fluctuates. At the same time, the of materials for our represents a potential risk that we must continuously monitor. In order to meet these challenges, stable partnerships and compliance the legal framework are crucial. We must keep an eye on general economic fluctuations, as they our strategic planning and flexible adjustments in order to remain competitive. Through continuous monitoring and proactive measures, we can minimise the of these external factors on our company.	medium term
Risk management	RO.8 – Deviating occurrence of risks and losses in relation to the risk assessment	Company-specific	Own business division	Entire SCHWEIZER Group	There is a risk of unexpected expenses, which can lead to liquidity bottlenecks if misjudgements arise in the of risks.	<p>The deviating occurrence of risks and losses in relation to the risk valuation is of strategic importance to SCHWEIZER. If actual risks and losses deviate from the forecast valuations, this can lead to unexpected financial burdens and operational challenges.</p> <p>A precise risk assessment is therefore essential in order to take appropriate precautionary measures and strengthen the resilience of our company and ad hoc assessments enable to respond better to unforeseen and safeguard our strategic goals. Our risk owners play a central role in this by monitoring risks and taking appropriate action.</p>	medium term

Financial effects

Following a thorough internal review, SCHWEIZER has determined that the material risks and opportunities currently identified do not have any significant current financial effects on our financial position, financial performance or cash flows. There is also no significant risk that an adjustment to the assets or liabilities recognised in our annual financial statements will be necessary as a result of these risks and opportunities.

Resilience of the strategy

The quantitative analysis of risks and opportunities includes a detailed assessment of all potential threats and opportunities within our company. Various instruments such as the risk inventory, individual risk reports and specific opportunity assessments are used to enable well-founded decisions to be made. This systematic recording and evaluation enable us not only to recognise risks at an early stage, but also to exploit opportunities in a targeted manner and adapt our strategies accordingly. No analysis of resilience has been carried out for impacts to date.

1.6 OUR APPROACH TO THE DETERMINATION AND ASSESSMENT OF THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES [IRO-1] [IRO-2]

In the 2024 financial year, we carried out a materiality analysis for the first time in accordance with the principle of dual materiality pursuant to ESRS 1. This was based on two approaches: What impact does our company have on the environment (impact materiality)? Which sustainability-related risks and opportunities have a financial impact on our company (financial materiality)? These questions resulted in the identification of material impacts, risks and opportunities.

The analysis process began by identifying the effects along SCHWEIZER'S value chain. This resulted in the following focus topics:

Upstream value chain

- Raw material extraction and resource inflows: Raw materials, conflict materials
- Transport in the upstream value chain
- Respect for human rights

Own business model

- Production of printed circuit boards in our own business division and the associated environmental impact
- Employee topics
- Corruption and bribery

Downstream value chain

- Disposal of hazardous waste
- Transport emissions

To identify the actual and potential impacts, we considered the sustainability topics in accordance with ESRS 1, AR 16. The GRI Standard, German Sustainability Code (DNK), Sustainable Development Goals (SDGs), EcoVadis and ISO 26000 frameworks were also used. Based on internal documents and information requests, supported by the specialist departments, we determined the impacts in the areas of environment (E), social affairs (S) and corporate governance (G). The results of an online stakeholder survey were also used to identify further impacts. As part of further online research, we examined in particular whether actual or potential violations of employee rights and other negative social and environmental impacts could occur along the value chain. The identified impacts were then recorded in a comprehensive list. In an iterative process, the sustainability team and department heads assessed and justified these impacts based on the parameters of extent, scope, irreversibility and probability, each on a five-point scale. After completing the assessment, we defined a quantitative threshold and agreed this with the Executive Board, whereby 22 out of 54 impacts were categorised as material.

The identification of risks and opportunities with regard to their financial materiality was carried out in several steps in accordance with the European Sustainability Reporting Standards (ESRS). Firstly, the existing risk inventory was reviewed to determine which risks are related to environmental, social and governance (ESG) issues. In addition, risks and opportunities were derived from the identified impacts and other sources, taking into account dependencies on natural, human and social resources. The risks were assessed by our SCHWEIZER risk management team. In accordance with ESRS requirements, the quantitative assessment of risks was based

on their probability of occurrence and the potential gross amount of loss. In contrast, the assessment of opportunities was initially carried out qualitatively. If an opportunity was categorised as potentially relevant, this was followed a quantitative assessment. The threshold values for financial materiality were determined in line with the assessment and prioritisation methods used in risk management. The quantitative threshold for the risks was based on the existing heat map, while a newly developed heat map was created for the opportunities and agreed with the Executive Board. By defining these thresholds, we identified 10 out of 37 risks and 1 out of 13 opportunities as material.

It is planned to carry out an annual review process of the materiality analysis. This process is coordinated by Sustainability Management in the Finance & Controlling department, which asks the department heads to review the identified impacts. The aim is to determine whether all identified impacts are still current and correctly assessed and whether new impacts have been added that need to be assessed by the department heads. In addition, sustainability management reviews the ESG-related risks and opportunities to determine whether existing risks and opportunities are still up-to-date and correctly assessed and whether new ESG-related risks and opportunities need to be identified and assessed. New material risks and opportunities are identified following the annual review of impact materiality. The review of ESG-related risks and opportunities is integrated into internal risk management. In accordance with SCHWEIZER'S Group risk management guidelines, this review takes place twice a year to ensure that existing risks and opportunities are up-to-date and correctly assessed and that new ESG-related risks and opportunities are identified and assessed. The results of the review are presented to and confirmed by the Executive Board.

ESRS E1 Climate Change [ESRS E1, IRO-1]

As part of the materiality analysis, SCHWEIZER analysed the impact on climate change, physical and transitory risks. Both our own business division and the upstream and downstream value chain were taken into account. Additional input was provided by the stakeholders who took part in our survey.

When determining the impacts, greenhouse gas emissions in particular were analysed and broken down into Scope 1, 2 and 3 categories. The scope categories relevant to SCHWEIZER were assessed accordingly.

For the physical climate risks, the extent to which the production of printed circuit boards can be affected by extreme weather events such as storms, heavy rain, heat or fires as well as long-term climate changes such as water shortages was analysed. In the upstream value chain, the company identified climate-related risks with regard to the availability of raw materials and materials as well as potential supply disruptions. In the downstream value chain, possible bad debt losses at major customers due to storm damage, flooding or fires were taken into consideration.

Transitory climate risks were also analysed. Cost increases can occur along the entire value chain due to factors such as rising CO₂ prices, higher energy costs, increased waste disposal costs and higher water treatment costs. The physical and transitory risks were assessed on the basis of their relevance and probability of occurrence, both gross and net, i.e. after taking countermeasures into account.

We have identified a significant climate-related risk. Risk RO.8 - Business interruption due to internal events (e.g. fire, natural disasters or other external events) is a physical risk.

To date, SCHWEIZER has not used any medium- to long-term time horizons or climate scenarios to identify and assess physical and transition risks and has not carried out a resilience analysis of the business model in relation climate change.

ESRS E2 Environmental pollution [ESRS E2, IRO-1]

In connection with environmental pollution, all SCHWEIZER Group companies were analysed, with the production sites identified as relevant in terms of potential air, water and soil pollution. Sales companies were excluded from the analysis, as comparatively low emissions are to be expected here. Consultations with potentially affected communities have not yet been conducted. A list of business activities that have led to significant impacts in the area of environmental pollution can be found in the "Overview of significant impacts, risks and opportunities" section.

ESRS E3 Water and marine resources [ESRS E3, IRO-1]

For the water and marine resources division, the geographical regions that are of key importance to SCHWEIZER were analysed. In particular, this is the Schramberg site, which is part of our own business division. The raw materials used to manufacture a printed circuit board are not linked to marine resources, so this topic is not relevant for SCHWEIZER. Potentially affected communities have not yet been consulted.

ESRS E5 Resource utilisation and circular economy [ESRS E5, IRO-1]

As part of the materiality analysis, Schweizer Electronic AG analysed the impacts, risks and opportunities in connection with resource use and the circular economy. The upstream value chains include the extraction of raw materials and the inflow of resources. SCHWEIZER's main resources include basic materials, chemicals, paints, consumables and IT services required for production and administration.

The production of printed circuit boards in our own business area generates waste, including hazardous waste. No consultations have yet been with potentially affected communities. A list of business activities that have led to significant impacts in the area of resource utilisation and the circular economy can be found in the "Overview of significant impacts, risks and opportunities" section.

ESRS G1 Corporate Governance [ESRS G1, IRO-1]

To identify impacts, risks and opportunities in the area of corporate governance, Schweizer Electronic AG has analysed the SCHWEIZER Group's locations for potential corruption risks. In addition to analysing public sources, the results of internal stakeholder surveys were also used to obtain a comprehensive picture of the impacts, risks and opportunities.

Following the derivation of the material impacts, risks and opportunities, these were assigned to the appropriate ESRS standards, whereby the standard with the greatest relevance to the respective impact, risk or opportunity was used. Company-specific impacts, risks and opportunities were marked as such and assigned to the most appropriate ESRS topic standard. Once the ESRS standard had been assigned, the identified impacts, risks and opportunities were clustered into the relevant sustainability aspects, which served as the basis for the sustainability declaration. A comprehensive data point analysis was carried out for the key IROs (Impact, Risks, Opportunities) of the defined sustainability aspects. The aim of this analysis was to determine the material disclosure requirements and relevant data points to be reported. Firstly, the relevant topic standards were reviewed at the level of the disclosure requirements, which are relevant for SCHWEIZER of importance.

In the next step, the specific data points that are important for the individual sustainability aspects were determined for the material disclosure requirements. Insignificant data points were marked and the reasons why a data point is considered insignificant were specified accordingly.

The following list shows the disclosure requirements that were followed in preparing the sustainability declaration based on the results of the materiality assessment:

Disclosure obligations	Page
ESRS 2	
ESRS 2 BP-1: General principles for the preparation of the sustainability statement	2-4
ESRS 2 BP-2: Disclosures related to specific circumstances	3-4
ESRS 2 GOV-1: The role of administrative, management and supervisory bodies	4-6
ESRS 2 GOV-2: Information and sustainability aspects addressed by the organisation's administrative, management and supervisory bodies	6
ESRS 2 GOV-3: Inclusion of sustainability-related performance in incentive schemes	6-7
ESRS 2 GOV-4: Declaration on due diligence	7
ESRS 2 GOV-5: Risk management and internal controls over sustainability reporting	7-8
ESRS 2 SBM-1: Strategy, business model and value chain	8-9
ESRS 2 SBM-2: Stakeholders' interests and positions	10
ESRS 2 SBM-3: Significant impacts, risks and opportunities and their interaction with strategy and business model	11-16
ESRS 2 IRO-1: Description of the process for the identification and assessment of significant impacts, risks and opportunities	16-19
ESRS 2 IRO-2: Disclosure requirements included in ESRS and covered by the company's sustainability statement	16-25
ESRS E1	
ESRS E1 GOV-3: Inclusion of sustainability-related performance in incentive schemes	6-7
ESRS E1-1: Transition plan for climate protection	27
ESRS E1 SBM-3: Significant impacts, risks and opportunities and their interaction with strategy and business model	11-16
ESRS E1 IRO-1: Description of procedures for the identification and assessment of significant climate-related impacts, risks and opportunities	18
ESRS E1-2: Concepts related to climate change mitigation and adaptation	27-28
ESRS E1-3: Measures and resources in connection with the climate concepts	28-29

Disclosure obligations	Page
ESRS E1-4: Goals related to climate protection and adaptation to climate change	29-31
ESRS E1-5: Energy consumption and energy mix	31-32
ESRS E1-6: Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions	32-33
ESRS E1-9: Expected financial effects of significant physical and transition risks and potential climate-related opportunities	Will this year not yet reported
ESRS E2	
ESRS E2 IRO-1: Description of the procedures for the determination and assessment of the assessment of the main impacts, risks and opportunities associated with environmental pollution	18
ESRS E2-1: Concepts related to environmental pollution	35-36
ESRS E2-2: Measures and resources related to environmental protection soiling	36
ESRS E2-3: Objectives related to environmental pollution	36-37
ESRS E2-4: Air, water and soil pollution	Not reported, as limit values not exceeded
ESRS E3	
ESRS E3 IRO-1: Description of the procedures for the determination and assessment of the assessment of significant impacts, risks and opportunities related to water and marine resources	18
ESRS E3-1: Concepts related to water and marine ecosystems resources	38-39
ESRS E3-2: Measures and resources related to water and marine resources	39-40
ESRS E3-3: Goals related to water and marine resources	40
ESRS E3-4: Water consumption	40

Disclosure obligations	Page
ESRS E5	
ESRS E5 IRO-1: Description of procedures for the identification and assessment of significant impacts, risks and opportunities associated with resource use and the circular economy	18-19
ESRS E5-1: Concepts related to resource utilisation and the circular economy	42
ESRS E5-2: Measures and means related to resource utilisation and circular economy	42-43
ESRS E5-3: Objectives related to resource utilisation and circular economy	43-44
ESRS E5-4: Resource inflows	Will this year not yet reported
ESRS E5-5: Resource outflows	44-45
ESRS E5-6: Expected financial effects of impacts, risks and opportunities related to resource utilisation and circular economy	Will this year not yet reported
ESRS S1	
ESRS S1-Phase-In: Mandatory disclosures when using phase-in simplifications	58-64
ESRS S2	
ESRS S2-Phase-In: Mandatory information when using phase-in simplifications	64-66
ESRS G1	
ESRS G1 GOV-1: The role of administrative, management and supervisory bodies	4
ESRS G1 IRO-1: Description of procedures for the identification and assessment of significant impacts, risks and opportunities	16-19

This sustainability declaration contains data points that result from other EU regulations. The following table provides an overview of where the required data points are stated if they material for SCHWEIZER:

Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page
ESRS 2			
ESRS 2 GOV-1 Gender diversity in management and supervisory bodies paragraph 21 letter d	SFDR, Benchmark Regulation	Material	4-6
ESRS 2 GOV-1 Percentage of members of the management body who are independent Paragraph 21 e	Benchmark Regulation	Material	5
ESRS 2 GOV-4 Declaration on due diligence paragraph 30	SFDR	Material	7
ESRS 2 SBM-1 Participation in activities related to fossil fuels Paragraph 40(d)(i)	SFDR, Pillar 3, Benchmark Regulation	Not relevant for SCHWEIZER	-
ESRS 2 SBM-1 Participation in activities related to the manufacture of chemicals Paragraph 40(d)(ii)	SFDR, Benchmark Regulation	Not relevant for SCHWEIZER	-
ESRS 2 SBM-1 Participation in activities in connection with controversial weapons Paragraph 40(d)(iii)	SFDR, Benchmark Regulation	Not relevant for SCHWEIZER	-
ESRS 2 SBM-1 Participation in activities related to the cultivation and production of tobacco Paragraph 40(d)(iv)	Benchmark Regulation	Not relevant for SCHWEIZER	-

Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page	Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page
ESRS E1				ESRS E1-7 Removal of greenhouse gases and CO ₂ -certificates Paragraph 56	EU Climate Law	Not material	-
ESRS E1-1 Transition plan for realising climate neutrality by 2050 Paragraph 14	EU Climate Law	Material	27	ESRS E1-9 Risk position of the reference asset portfolio to climate-related physical risks Paragraph 66	Benchmark Regulation	Material (transitional relief)	Not yet this year reported
ESRS E1-1 Companies that are exempt from the Paris-aligned reference values Paragraph 16 (g)	Pillar 3, Benchmark Regulation	Material	27	ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk Paragraph 66 (a)	Pillar 3	Material (transitional relief)	Not yet this year reported
ESRS E1-4 GHG emission reduction targets paragraph 34	SFDR, Pillar 3, Benchmark Regulation	Material	29-31	ESRS E1-9 Location of significant assets with material physical risk Paragraph 66 (c)	Pillar 3	Material (transitional relief)	Not yet this year reported
ESRS E1-5 Energy consumption from fossil fuels broken down by source (only climate-intensive sectors) Paragraph 38	SFDR	Material	31-32	ESRS E1-9 Breakdowns of the book value of its properties by energy efficiency class paragraph 67 (c)	Pillar 3	Material (transitional relief)	Not yet this year reported
ESRS E1-5 Energy consumption and energy mix Paragraph 37	SFDR	Material	31-32	ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities Paragraph 69	Benchmark Regulation	Material (transitional relief)	Not yet this year reported
ESRS E1-5 Energy intensity in with activities in climate-intensive sectors Paragraphs 40 to 43	SFDR	Material	31-32	ESRS E2			
ESRS E1-6 Gross GHG emissions of the Scope 1, 2 and 3 categories and total GHG emissions Paragraph 44	SFDR, Pillar 3, Benchmark Regulation	Material	32-33	ESRS E2-4 quantity of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer -pollutant that is emitted to air, water and soil Paragraph 28	SFDR	Material	Not, as no limit values exceeded become
ESRS E1-6 Intensity of gross GHG emissions Paragraphs 53 to 55	SFDR, Pillar 3, Benchmark Regulation	Material (transitional relief)	32-33				

Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page	Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page
ESRS E3				ESRS E4-2			
ESRS E3-1 Water and marine resources Paragraph 9	SFDR	Material	38-39	Concepts for combating deforestation Paragraph 24(d)	SFDR	Not material	-
ESRS E3-1 Special concept Paragraph 13	SFDR	Not material	-	ESRS E5			
ESRS E3-1 Sustainable oceans and seas Paragraph 14	SFDR	Not material	-	ESRS E5-5 Non-recycled waste Paragraph 37(d)	SFDR	Material	44-45
ESRS E3-4 Total amount of reclaimed and reused water Paragraph 28(c)	SFDR	Material	40	ESRS E5-5 hazardous and radioactive waste Paragraph 39	SFDR	Material	44-45
ESRS E3-4 Total water consumption in m3 per Net revenue from own activities Paragraph 29	SFDR	Material	40	ESRS S1			
ESRS E4				ESRS 2 SBM3 – S1 Risk of forced labour Paragraph 14(f)	SFDR	Material (transitional relief)	Not yet this year reported
ESRS 2 IRO1 – E4 Paragraph 16(a)(i)	SFDR	Not material	-	ESRS 2 SBM3 – S1 Risk of child labour Paragraph 14(g)	SFDR	Material (transitional relief)	Not yet this year reported
ESRS 2 IRO1 – E4 Paragraph 16 (c)	SFDR	Not material	-	ESRS S1-1 Commitments in the area of human rights policy Paragraph 20	SFDR	Material (transitional relief)	Not yet this year reported
ESRS E4-2 Sustainable practices or concepts in the area of land use and agriculture Paragraph 24(b)	SFDR	Not material	-	ESRS S1-1 Due diligence requirements in relation to issues covered by fundamental conventions 1 to 8 of the International Labour Organisation Paragraph 21	Benchmark Regulation	Material (transitional relief)	Not yet this year reported
ESRS E4-2 Sustainable processes or strategies in the area of oceans/ seas Paragraph 24(c)	SFDR	Not material	-	ESRS S1-1 Procedures and measures to combat human trafficking Paragraph 22	SFDR	Material (transitional relief)	Not yet this year reported

Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page	Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page
ESRS S1-1 Policy or management system relating to the prevention of occupational accidents Paragraph 23	SFDR	Material (transitional relief)	62-63	ESRS S2			
ESRS S1-3 Processing of complaints Paragraph 32(c)	SFDR	Material (transitional relief)	Not yet this year reported	ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain Paragraph 11(b)	SFDR	Material (transitional relief)	Not yet this year reported
ESRS S1-14 Number of fatalities and number and rate of occupational accidents Paragraph 88(b) (c)	SFDR, Benchmark Regulation	Material (transitional relief)	Not yet this year reported	ESRS S2-1 Commitments in the area of human rights policy Paragraph 17	SFDR	Material (transitional relief)	Not yet this year reported
ESRS S1-14 Number of days lost due to injury, accident, death or illness Paragraph 88(e)	SFDR	Material (transitional relief)	Partially recognised: 50	ESRS S2-1 Concepts related to labour in the value chain Paragraph 18	SFDR	Material (transitional relief)	67-69
ESRS S1-16 Unadjusted gender pay gap Paragraph 97 (a)	SFDR, Benchmark Regulation	Material (transitional relief)	Not yet this year reported	ESRS S2-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines Paragraph 19	SFDR, Benchmark Regulation	Material (transitional relief)	Not yet this year reported
ESRS S1-16 Excessive remuneration of members of management bodies Paragraph 97(b)	SFDR	Material (transitional relief)	Not yet this year reported	ESRS S2-1 Due diligence requirements in relation to issues covered by fundamental conventions 1 to 8 of the International Labour Organisation paragraph 19	Benchmark Regulation	Material (transitional relief)	Not yet this year reported
ESRS S1-17 Cases of discrimination Paragraph 103(a)	SFDR	Material (transitional relief)	Not yet this year reported	ESRS S2-4 Problems and incidents relating to human rights within the upstream and downstream value chain Paragraph 36	SFDR	Material (transitional relief)	Not yet this year reported
ESRS S1-17 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines Paragraph 104(a)	SFDR, Benchmark Regulation	Material (transitional relief)	Not yet this year reported				

Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page	Disclosure requirement and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Act)	Material / not material If material: Chapter	If material: Page
ESRS S3				ESRS G1			
ESRS S3-1 Commitments in the area of human rights Paragraph 16	SFDR	Not material	-	ESRS G1-1 United Nations Convention against Corruption Paragraph 10(b)	SFDR	Not material	-
ESRS S3-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines Paragraph 17	SFDR, Benchmark Regulation	Not material	-	ESRS G1-1 Protection of whistleblowers Paragraph 10(d)	SFDR	Not material	-
ESRS S3-4 Problems and incidents in connection with human rights Paragraph 36	SFDR	Not material	-	ESRS G1-4 Fines for offences against corruption and bribery regulations Paragraph 24(a)	SFDR, Benchmark Regulation	Not material	-
				ESRS G1-4 Standards to combat corruption and bribery Paragraph 24(b)	SFDR	Not material	-
ESRS S4							
ESRS S4-1 Concepts related to consumers and end users Paragraph 16	SFDR	Not material	-				
ESRS S4-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines Paragraph 17	SFDR, Benchmark Regulation	Not material	-				
ESRS S4-4 Problems and incidents in connection with human rights Paragraph 35	SFDR	Not material	-				

2. ENVIRONMENT

2.1 CLIMATE CHANGE

Key aspects, concepts, measures and objectives

As a globally active company in the production and trade of printed circuit boards, we serve customers worldwide. This has an impact on the climate, which reflected in direct and indirect greenhouse gas emissions.

Energy efficiency is a key market driver of our printed circuit board business. Our printed circuit boards make a significant contribution to increasing the fuel efficiency of vehicles in the automotive sector and reducing CO₂-emissions. It is therefore only logical that energy management plays an important at SCHWEIZER. This results from our range of products and services and is particularly important for an energy-intensive company such as ours, not only in terms of conserving resources, but also in terms of cost management.

Effects in connection with the value chain

As part of our materiality analysis, we identified two key sustainability aspects: Climate protection and adaptation to climate change. Standard information on the materiality analysis, risks and opportunities of all areas of the sustainability report is set out in section IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities, general process description, in the ESRS 2 document section. These aspects are of particular importance to our company and are reflected in our strategic measures.

Our material sustainability aspects include the following impacts, risks and opportunities.

- **Direct emissions (Scope 1):** These include all direct greenhouse gas emissions resulting from our own production processes at the Schramberg site.
- **Indirect emissions (Scope 2):** These are indirect emissions caused by the energy we purchase from external suppliers.
- **Indirect upstream emissions (Scope 3):** These emissions occur in the upstream value chain, for example through the production and transport of raw materials.
- **Indirect downstream emissions (Scope 3):** These include emissions that occur in the downstream value chain, for example through the use of our products by customers.
- **Positive impact on the energy and greenhouse gas balance in the downstream value chain thanks to energy-saving and more efficient printed circuit boards:** Our energy-saving and more efficient printed circuit boards have a positive impact on the energy and greenhouse gas balance in the downstream value chain. These help to increase the energy efficiency of our customers in the automotive sector and CO₂-emissions.

Greenhouse gas emissions in our own business division mainly result from the consumption of energy, in particular electricity and gas. Hazardous waste that is sent for internal treatment also contributes to emissions. These processes are key factors that influence our direct (Scope 1) and indirect (Scope 2) emissions.

In the upstream value chain, the main drivers of greenhouse gas emissions are transport and the extraction of raw materials, particularly copper, palladium and gold. These materials are essential for the production of our printed circuit boards but cause significant emissions during their extraction and transport to our production sites.

In the downstream value chain, greenhouse gas emissions are mainly caused by the transport of our products to customers and recycling as a system component. These processes are crucial for the life cycle analysis of our products and have a significant impact on indirect emissions (Scope 3).

By continuously optimising our processes and implementing sustainable practices, we are working to reduce greenhouse gas emissions in all areas of our value chain. This is an integral part of our sustainability strategy and helps us to achieve our environmental goals and minimise our ecological footprint.

In addition to our endeavours to make a contribution to climate protection, we also see the need to adapt our processes to the future challenges of climate change and to make a positive contribution with our products.

The identified risk of "business interruption due to internal events (e.g. fire), natural disasters or other external events", precautions and preventive safety measures are taken to minimise and eliminate the risks.

Transition plan for climate protection [E1-1]

Our company is committed to making a sustainable contribution to climate protection. We have already defined specific reduction targets for our greenhouse gas emissions in Scope 1 and 2. We always pay attention to the economic viability of our measures to ensure that our climate protection strategies are both ecologically and economically sustainable. We have not yet defined a specific target for limiting global warming to 1.5°C in line with the Paris Agreement. However, we are working hard to develop appropriate measures and targets in order to make our contribution to the global climate protection agenda. Our long-term goal is to achieve climate neutrality by

2050. This requires continuous effort and innovation in all areas of our company. We are determined to this path consistently and to regularly review and adjust our progress. Our transition plan for climate protection is an important step towards a sustainable future. We are aware of the challenges and will continue to work hard to achieve our climate targets and a positive contribution to global climate protection. We have ourselves the goal of achieving climate neutrality and have also formulated this goal. However, there are currently no concrete measures or a concept in place, as we want to achieve the targets by 2030 as a first step.

Our concepts in connection with climate protection and adaptation climate change [E1-2] [MDR-P]

The corporate goal of harmonising the needs of the environment with the careful use of energy is an indispensable part of the SCHWEIZER corporate concept. This objective is into account through environmental impact assessments as part of the development of new products, processes and materials as well as new investments. This is based on the DIN EN ISO 14001 and DIN EN ISO 50001 standards, which address our key sustainability aspect of climate change. In ISO 14001, the topic is in the environmental aspect "Emissions to the atmosphere". However, other environmental aspects are also addressed through the implementation of the ISO standard. We evaluate the environmental aspects identified within the scope of ISO 14001 and communicate these both internally and externally. The aspects assessed include

- Energy consumption
- CO₂-footprint
- Water consumption
- Waste
- Use and consumption of resources (raw materials)

The direct emissions (Scope 1), indirect emissions (Scope 2) and indirect upstream and downstream emissions (Scope 3) are identified as impacts. These emissions are part of the environmental concept and are evaluated in the environmental aspects. DIN EN ISO 14001 has been implemented in Schweizer Electronic AG's management system for many years and aims to achieve continuous improvement of environmental issues and their objectives. DIN EN ISO 50001 is also integrated into the management system and supplements the environmental concept with aspects for reducing greenhouse gas emissions. Upstream and downstream emissions (Scope 3) are currently being planned and will become part of the climate concept over the next two years.

In order to fulfil the legal requirements, the company works closely with the responsible authorities and is subject to various monitoring procedures that serve to verify compliance with the limit values in the areas of water and emissions. The effectiveness of our measures is monitored by our environmental protection, energy management, water protection, waste and hazardous goods officers and reported to the Executive Board in an annual environmental and energy report. This report also describes and proposes improvements and measures still to be implemented. These measures are planned and implemented in consultation with the company management. Internal and external audits are used to monitor the measures and the implementation of the standards.

We implement the environmental aspect of "emissions into the atmosphere" by complying with legal requirements and being monitored by the authorities. Our goal is to reduce greenhouse gas emissions in the areas of direct and indirect emissions by 20 % by 2030. We will achieve this by reducing energy consumption and increasing the proportion of green electricity.

Through the application of DIN EN ISO 50001 and legal requirements, we aim to continuously improve our energy efficiency. The energy concept defines five key figures that serve as a guideline.

The management is responsible for implementing the processes within the scope of ISO 14001 and ISO 50001. The effectiveness of our measures is monitored by our environmental protection, energy management, water protection, waste and hazardous goods officers and reported to the Executive Board in an annual environmental and energy report. These reports also contain suggestions for future improvement measures. As part of a regular external audit, we also ensure that our management system works as a whole and that we are making steady progress in dealing with our environmental impact.

Our measures and resources [E1-3] [MDR-A]

As part of our sustainability strategy, we at Schweizer Electronic AG attach great importance to energy efficiency in order to achieve a reduction in greenhouse gas (GHG) emissions. Our key measures include the optimisation of energy consumption, the implementation of innovative technologies and the continuous improvement of our processes.

The first measure concerns **the replacement of the chiller for process cooling in plant S5**. This measure aims to reduce CO₂-emissions by 20 % by 2030 compared to 2019. This relates to both direct emissions (Scope 1) and indirect emissions (Scope 2). The measure is aligned with the DIN EN ISO 50001 energy efficiency standard and aims to reduce energy consumption and achieve specific electricity consumption targets. This measure achieves a GHG emissions reduction of 67.9 tCO₂e. The status of the measure is already at 100 % and the time horizon is set until 2024.

The second measure is the **connection of EWP2 to low-temperature heat recovery**.

Here, too, the aim is to reduce CO₂e emissions by 20 % by 2030 compared to 2019. This measure also includes direct and indirect emissions and follows the energy efficiency standard DIN EN ISO 50001. The aim is to reduce energy consumption and achieve specific electricity consumption targets. The GHG emissions reduction achieved is 111.5 tCO₂e. The status of this measure is also 100 % and the time horizon is until 2024.

The third measure concerns the **automation of supply and exhaust air while production is stopped**.

Here, too, the aim is to reduce CO₂e emissions by 20 % by 2030 compared to 2019. This measure includes direct and indirect emissions and follows the energy efficiency standard DIN EN ISO 50001. The aim is to reduce energy consumption and achieve specific electricity consumption targets. The GHG emissions reduction achieved is 34.2 tCO₂e. The status this measure is also 100 % and the time horizon is until 2024.

Schweizer Electronic AG does not yet have a complete balance sheet for Scope 3 greenhouse gas emissions. However, we are aware of the importance of these emissions and are working intensively to implement comprehensive accounting.

One of our key measures in this context is the introduction of detailed Scope 3 accounting, which also takes into account the supply chain with our suppliers and customers. By working closely with our partners in the value chain, we aim to precisely record and specifically reduce the indirect emissions caused by upstream and downstream processes.

Our goals [E1-4] [MDR-T]

An important milestone is the reduction of CO₂-emissions in Scope 1 and Scope 2 by at least 20 % by 2030, starting from the base year 2019, in which our emissions were around 14,500 tonnes of CO₂-equivalent. This reduction is to be achieved through various measures, including optimising our production processes and improving energy efficiency.

We to reduce CO₂e emissions in Scope 1 and Scope 2 by 20 % by 2030 compared to 2019. Scope 1 comprises direct emissions, while Scope 2 covers indirect emissions. Achieving this target depends on the economic situation. As a sub-target, we have set ourselves the goal of switching to 100 % green electricity. Contracts for the purchase of green electricity have already been concluded and are to be finalised from 2026. The decision to procure 100 % of our electricity renewable energy sources from 2026 means that the target is likely to be achieved before 2030.

No specific targets have yet been defined for the reduction of Scope 3 emissions. Scope 3 includes both indirect upstream and downstream emissions.

As part of our energy management system in accordance with DIN EN ISO 50001, we at Schweizer Electronic AG have defined specific targets to promote climate protection and adapt to climate change. These targets are an integral part of our business processes and have a positive influence on the identified impacts, risks and opportunities (IROs). We have set ourselves the following energy targets:

Reduction of electricity consumption per production hour: By optimising our production processes, we aim to significantly reduce electricity consumption per production hour. This contributes directly to the reduction of our greenhouse gas emissions and improves our energy efficiency.

Reduce electricity consumption during idle times: We implement measures to minimise electricity consumption during idle times. This includes the implementation of energy management systems that monitor and control energy consumption outside of production times.

Expansion of the meter network for the refrigeration system: The expansion of our meter network enables more precise monitoring and control of the energy consumption of our refrigeration systems. This leads to a more efficient use of resources and a further reduction in emissions.

Saving energy by replacing old lights with LED lights: Replacing outdated lighting systems with energy-efficient LED lights is another measure to reduce our energy consumption. This not only helps to reduce operating costs but also reduces our CO₂-footprint.

These energy targets are firmly anchored in our business processes and are continuously monitored and adjusted to ensure that we achieve our sustainability targets and make a positive contribution to climate protection.

	Base year (2019)	Target for 2030
GHG emissions (in tonnes of CO ₂ e)	14,078	11,600
Scope 1 GHG emissions (in tonnes of CO ₂ e)	4,921	4,100
Scope 2 GHG emissions, location-based (in tonnes of CO ₂ e)	9,158	7,631

The targets for reducing greenhouse gas emissions were set taking into account the economic aspects at the time of the energy crisis. At the time the targets were agreed,

the future development of energy prices was not predictable. Despite the uncertainties and volatile energy prices, we plan continue utilising renewable energies.

The base year for the assessment of our greenhouse gas emissions was determined according to production capacity utilisation. In 2019, we recorded fully utilised production capacity. External factors such as climate fluctuations, high temperatures or precipitation were not taken into account in this assessment.

The calculation of greenhouse gas emissions was based on energy consumption in 2019. The emissions were calculated using the CO₂-factors specified by the energy supplier. This methodology ensures precise and traceable recording of our emissions and forms the basis for our further measures to reduce greenhouse gas emissions.

There are currently no climate targets that are compatible with limiting global warming to 1.5°C. Our current targets are not verified or backed up by external third parties.

We are aware of the importance of these global climate targets and are continuously working to further develop and strengthen our sustainability strategy. Our aim is to formulate future climate targets that are in line with international efforts to limit global warming and can be verified by independent third parties.

In 2024, we not only achieved our target, but also exceeded it by 3%. This is due to the higher proportion of green electricity in the energy mix. In order to achieve the 2030 target in the long term, it is therefore crucial to procure electricity exclusively from renewable energy sources.

At present, there are no specific targets for "adapting to climate change". We recognise the importance of this topic and are working hard to develop appropriate strategies and measures to make a positive contribution in this area as well. Our aim is to formulate and implement clear and measurable climate change adaptation targets in the near future.

Key figures

Energy consumption and energy mix [E1-5] [MDR-P]

The energy indicators relate exclusively to the Schramberg site. Energy consumption from non-renewable energy includes the consumption of purchased electricity, which comes from both fossil fuels and renewable energy sources. This data is based on the information provided by the energy supplier. We also use a combined heat and power plant that runs on gas and generates electricity for our own production facility. We have also implemented measures to save energy and increase efficiency in order to reduce our ecological footprint.

	2024
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	0
(3) Fuel consumption from natural gas (MWh)	21,559
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption from purchased or received electricity, heat, steam and cooling from fossil sources (MWh)	8,171
(6) Total consumption of fossil energy (MWh) (sum of lines 1 to 5)	29,730
Share of fossil sources of total energy consumption (in %)	72.2
(7) Consumption from nuclear power sources (MWh)	1,159
Share of consumption from nuclear sources in total energy consumption (in %)	2.8
(8) Fuel consumption for renewable sources, including biomass (including industrial and municipal waste biological origin, biogas, hydrogen from renewable sources, etc.) (MWh)	0
(9) Consumption from purchased or received electricity, heat, steam and cooling from renewable sources (MWh)	10,312
(10) Consumption of self-generated renewable energy other than fuels (MWh)	0
(11) Total consumption of renewable energy (MWh) (sum of lines 8 to 10)	10,312
Share of renewable sources in total energy consumption (in %)	25.0
Total energy consumption (MWh) (sum of lines 6, 7 and 11)	41,201

In 2024, we generated a total of 5,345 MWh of non-renewable energy ourselves through our gas-fired combined heat and power plant, which represents an increase of 10.6 % compared to the 4,831 MWh in 2023. This energy is converted in equal parts into electricity and waste heat, with 50 % of the energy generated being utilised in each case.

Self-generated renewable energy remained unchanged at 0 MWh in both years. This shows that our energy generation continues to be based entirely on non-renewable sources.

Energy generation by the combined heat and power plant accounts for around 10 % of total energy consumption. This continuous use of the combined heat and power plant to generate energy enables us to cover part of our energy requirements ourselves while maximising efficiency through the use of waste heat. The increase in self-generated energy in 2024 is a positive indicator of the performance and reliability of our power plant

	2024	2023
Self-generated non-renewable energy (MWh)	5,345	4,831
Self-generated renewable energy (MWh)	0	0

Energy consumption is determined by evaluating energy meters and analysing the evidence from the energy suppliers' invoices. Some of the values shown in the tables can be taken directly from the available invoices. In cases where this is not possible, the values are determined using appropriate calculations.

The calculations for total energy relate to the consumption of electricity, gas and re- frigeration. This comprehensive view enables a precise and transparent presentation of the entire energy consumption, which is essential for the preparation of a well- founded annual report.

Energy intensity [E1-5] [MDR-M]

The table shows the relationship between total energy consumption in MWh and sales revenue from in-house production at the Schramberg site. The analysis showed a negative change of 12%. This change is due to the low capacity utilisation and high idle energy consumption.

Energy intensity per net revenue	2024	2023	Change on previous year in % (% N / N-1)
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors (MWh/ currency unit)	0.000608	0.00536	12

Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions [E1-6] [MDR-M]

	Base year (2019)	Looking back			Stage destination	
		2024	2023	Change compared to previous year in % (% N / N-1)	2030	2050
Scope 1 GHG gross emissions (t CO ₂ e) (without biogenic missions)	9,158	6,937	9,033	-23	7,631	0
Site-related scope 2 GHG gross emissions (t CO ₂ e) (without biogenic missions)	4,921	4,333	4,184	3	4,921	0

The calculations to determine GHG emissions only apply to the Schramberg site. Other sites were not taken into account as they are not production sites but sales offices. This focussing ensures that the analysis of energy consumption at the Schramberg site remains precise and specific.

Greenhouse gas intensity based on net revenue [E1-6] [MDR-M]

Compared to energy consumption, the location-related Scope 1+2 emissions have deteriorated by 0.22%. This small change, despite the poor capacity utilisation, is due to the CO₂ content of the electricity mix.

GHG intensity per net revenue	2024	2023	Change on previous year in % (% N / N-1)
Total GHG emissions from Scope 1 & 2 (location-based) per net revenue (t CO ₂ e/currency unit)	0.000148	0.000147	0.22

Company-specific key figures [MDR-M]

The table shows a detailed analysis of the key energy figures for the years 2024 and 2023. The specific energy consumption and emissions were calculated per production hour to ensure precise comparability.

Further key energy figures	2024	2023
Specific total energy consumption (kWh/h production)	163.5	120.61
Specific electrical energy consumption (kWh/h production)	87.5	75.7
Specific compressed air consumption per standard cubic metre (Nm ³ / h production)	83.1	74.6

Comments on the energy indicators

- **Specific total energy consumption:** The specific total energy consumption has risen from 120.61 kWh/h of production in 2023 to 163.5 kWh/h of production in 2024. This increase of 35.5 % is mainly due to the reduced capacity utilisation in production and the high idle energy consumption.
- **Specific electrical energy consumption:** The specific electrical energy consumption has increased from 75.7 kWh/h production in 2023 to 87.5 kWh/h production in 2024. This corresponds to an increase of 15.6 %.
- **Specific compressed air consumption:** The specific compressed air consumption per standard cubic metre has risen from 74.6 Nm³/h of production in 2023 to 83.1 Nm³/h of production in 2024, which corresponds to an increase of 11.4 %

The following table shows a detailed analysis of the key emissions figures for the years 2024 and 2023. The specific energy consumption and emissions were calculated per hour of production to ensure precise comparability.

Weitere Emissionskennzahlen	2024	2023
Total CO ₂ -footprint (kg CO ₂ /h production)	39.7	37.6
CO ₂ -footprint from the production of printed circuit boards (kg CO ₂ /h production)	39.7	37.3
CO ₂ -footprint of the transport of printed circuit boards (kg CO ₂ /h production)	0.29	0.3

Comments on the energy indicators

- **Specific total energy consumption:** The specific total energy consumption has risen from 120.61 kWh/h of production in 2023 to 163.5 kWh/h of production in 2024. This increase of 35.5 % is mainly due to the reduced capacity utilisation in production and the high idle energy consumption.
- **Specific electrical energy consumption:** The specific electrical energy consumption has increased from 75.7 kWh/h production in 2023 to 87.5 kWh/h production in 2024. This corresponds to an increase of 15.6 %.
- **Specific compressed air consumption:** The specific compressed air consumption per standard cubic metre has risen from 74.6 Nm³/h of production in 2023 to 83.1 Nm³/h of production in 2024, which corresponds to an increase of 11.4 %.

The following table shows a detailed analysis of the key emissions figures for the years 2024 and 2023. The specific energy consumption and emissions were calculated per hour of production to ensure precise comparability.

2.2 ENVIRONMENTAL POLLUTION

Key aspects, concepts, measures and objectives

Pollution is a key issue that has a significant impact on both the environment and the business activities of companies. It is crucial for our company to understand and address the impacts, risks and opportunities associated with air, soil and water pollution. This applies not only to our own business area, but also to the upstream and downstream value chain.

The relevance of environmental pollution for our company lies in the need to implement sustainable practices in order to remain competitive in the long term and fulfil regulatory requirements. Pollution can have a significant impact on the environment, people's health and the company's reputation. It is therefore essential to take measures to reduce emissions and minimise environmental impact.

This chapter describes the key aspects of air, soil and water pollution in connection with our business model and the value chain. Our company addresses environmental pollution both in its own business operations and in the upstream and downstream value chain. This includes the emissions caused by our production processes as well as the environmental impact caused by the disposal of waste and the transport of our products.

Various forms of environmental pollution play a role in our own business division. These include emissions such as metal content in wastewater. The processes that lead to these emissions include exhaust air from drying ovens, combustion gases from combined heat and power plants (CHP) and the use of our vehicle fleet.

In the upstream value chain, environmental pollution particularly affects the extraction and processing of raw materials as well as transport and mobility, which are not directly controlled by our company.

Downstream, environmental pollution relates in particular to waste disposal and transport carried out our customers. It is important to also consider the aspects of the upstream and downstream value chain in order to develop a holistic sustainability strategy.

Effects in connection with the production

Standard information on the materiality analysis, risks and opportunities of all areas of the sustainability report is set out in section IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities, general process description, in the ESRS 2 document section.

We have identified the following areas in the context of dual materiality:

Air, soil and water pollution in our own business areas: We are actively working to prevent environmental pollution in our own business areas. This includes measures to reduce emissions and waste as well as compliance with strict environmental standards.

Air, soil and water pollution in the upstream value chain: Although this area is not currently monitored intensively, our suppliers are subject to the Code of Conduct. They are regularly assessed, whereby environmental aspects are also taken into account.

Air, soil and water pollution in the downstream value chain:

As part of our efforts to reduce environmental pollution, we have identified the

downstream activities that could potentially lead to air, soil and water pollution. These activities include:

Waste disposal: The disposal of waste is a significant challenge. We work closely with our waste disposal partners to ensure that waste is disposed of properly and in an environmentally friendly manner. Removals of chemicals or containers are carefully checked and documented to minimise the risk of environmental pollution. Within our own business area, we always endeavour to reduce waste and promote sustainable disposal methods.

Mobility and transport: The transport of goods and materials, particularly by vehicles that do not belong to SCHWEIZER, can also lead to environmental pollution. Although there is currently no specific concept for reducing these emissions, we are continuously working to minimise the environmental impact of our transport activities. This includes working with our transport service providers to ensure that transport is carried out in a safe and environmentally friendly manner. Our commitment to sustainability and environmental protection is underpinned by compliance with DIN EN ISO 14001 and regulatory requirements. We are regularly monitored by independent third parties and authorities to ensure that we comply with all legal requirements and achieve our environmental goals.

Our concepts [E2-1] [MDR-P]

The corporate goal of harmonising the needs of the environment with the careful use of energy is an indispensable part of the SCHWEIZER corporate concept. This is based on the DIN EN ISO 14001 and DIN EN ISO 50001 standards, which address key sustainability aspects such as climate change and strive to continuously improve environmental concerns and energy efficiency (E1 standard).

As part of our continuous endeavours to reduce our environmental impact, we have implemented a structured concept for the use of chemicals in our production processes. We pay particular attention to newly introduced substances, which are subject to a comprehensive environmental compatibility test procedure. This careful evaluation ensures that all chemicals used can be effectively treated by our in-house wastewater treatment plants, which is a significant contribution to our holistic approach to environmental protection.

Air emissions and monitoring

Our exhaust air is subject to stringent monitoring by independent third parties. Our emissions management concept consistently pursues the goal of not only complying with legal limits but also falling below them.

The solvent-containing exhaust air from the drying ovens for the stop varnish is cleaned using bio-filtration. These biocatalysts utilise the metabolic activity of microorganisms to break down pollutants and odours from exhaust air and exhaust gas streams. By converting them into non-toxic, odourless substances such as carbon dioxide and water, we effectively minimise environmental pollution. Furthermore, dusty exhaust air from drilling and milling machines is cleaned by cyclones and filter systems and the exhaust gases from our combined heat and power plant are treated by a catalyser.

Plant safety and soil protection

For wet processes, including electroplating machines, etching plants, tank farms and wastewater facilities, we implement high-quality safety standards to prevent leaks and chemical spillages. Sealing the floors and special floor channels in the electroplating area enable large quantities of wastewater to be collected in the event of an incident.

Transport and logistics

Our transport and mobility concepts take into account the company's own vehicle fleet as well as the legal requirements for documenting and monitoring waste transport and empties. Compliance with regulatory requirements in this area is a key component of our environmental management.

Raw material extraction and processing

In the area of raw material extraction, SCHWEIZER follows the legal requirements while taking economic factors into account in order to ensure responsible and sustainable resource utilisation. The development of specific concepts to further minimise the environmental impact and increase efficiency is recognised as a future need for action. Similarly, no specific concepts have yet been developed in the area of raw materials processing, apart from legal requirements and economic considerations. We are aware of the need to develop supplementary concepts in order to further reduce the environmental impact and improve the sustainability of production processes.

Our measures and resources [E2-2] [MDR-A]

As part of our continuous efforts to improve the environmental compatibility and efficiency of our wastewater treatment plant, we have implemented a number of measures aimed at optimising the monitoring, analysis and safety of the plant.

Regular inspection of the wastewater outlet

Continuous monitoring of the wastewater outlet is crucial to ensure that the wastewater quality meets the legal requirements. Regular samples are taken and analysed in order to detect possible contamination at an early stage and initiate appropriate countermeasures.

Own laboratory in the wastewater plant:

The establishment of an in-house laboratory within the wastewater plant enables wastewater samples to be analysed quickly and precisely. This helps to increase the efficiency of monitoring and shorten the response time when identifying problems.

Visualised and automated wastewater system:

The implementation of a visualised and automated system significantly improves the monitoring and control of the wastewater treatment plant. This includes the installation of sensors that enable real-time monitoring and optimise operating processes.

Catch basin for the entire wastewater area: The wastewater system is installed in a catch basin that offers capacity for collecting far more than the volume of wastewater produced. This ensures that no environmental pollution occurs in the event of a leak or overload and that the wastewater is safely collected.

Regular inspections by authorities: In order to ensure compliance with legal regulations, regular inspections are carried out by the relevant authorities. These inspections serve to confirm the proper functioning of the wastewater system.

Our goals [E2-3] [MDR-T]

No targets were defined in relation to environmental pollution in the reporting year. Our company focussed on monitoring existing processes and systems and ensuring that all legal requirements are met. Although no new initiatives or projects were introduced to combat pollution, our commitment to environmental protection and sustainability remains unchanged.

We recognise the importance of continuous improvement and the development of new concepts to reduce environmental pollution. In the coming year, we will therefore pay more attention to identifying and implementing innovative solutions and measures that can contribute to reducing environmental pollution. Our aim is to minimise the environmental impact of our production processes and activities while increasing the efficiency and sustainability of our operations.

Company-specific key figures [MDR-M]

In 2024, our company complied with and even exceeded all legally prescribed values for copper, nickel and tin content in wastewater. The specific key figures for 2024 compared to 2023 are as follows:

Copper content in wastewater: In 2024, the copper content in wastewater was 0.24 mg Cu/l. This is well below the legal limits and shows that our measures to reduce copper pollution in wastewater have been successful.

Nickel content in wastewater: The nickel content in wastewater was 0.04 mg Ni/l in 2024. Here, too, we met and exceeded the legal requirements, which confirms the effectiveness of our strategies for minimising nickel pollution in wastewater.

Tin content in wastewater: In 2024, the tin content in wastewater was 0.01 mg Sn/l. This value is also well below the legal limits, which indicates that our efforts to reduce tin pollution in wastewater have been successful.

Our company has continuously endeavoured to minimise the environmental impact of our production processes and not only meet but exceed the legal requirements.

The key figures mentioned above are proof of the effectiveness of our environmental management systems and the successful implementation of our measures to reduce the pollutant load in wastewater.

Company-specific key figures	2024	2023
Copper content in wastewater (mg Cu/l wastewater)	0.28	0.24
Nickel content in wastewater (mg Ni/l wastewater)	0.04	0.16
Tin content in wastewater (mg Sn/l wastewater)	0.02	0.01

The values are measured both internally using monitored measuring equipment and by external third parties. Our company relies on a combination of internal and external monitoring mechanisms to ensure the accuracy and reliability of the measurements. Internally, the measurements are carried out using calibrated and monitored measuring equipment that is regularly maintained and checked to ensure high precision and consistency of the results. These internal measurements enable us to continuously monitor compliance with legal limits and the effectiveness of our environmental management systems.

2.3 WATER- AND MARINE RESOURCES

The production of printed circuit boards at SCHWEIZER is a water-intensive process, which makes the consumption of fresh water and the generation of production-related wastewater important indicators for the environment.

The consumption of water in production is the most important indicator, as it accounts for 70 to 80 % of the total water inflow (consisting of city water and rainwater). The remainder of the water inflow is divided between social water consumption, water consumption by air conditioning systems and biofilters, generally evaporated water and water required to operate the absorption chiller.

Every printed circuit board undergoes many so-called wet processes. These are processes in which material is electrolytically or chemically applied or chemically or physically removed. The aqueous solutions used for this process must be carefully rinsed off the PCB surface to prevent carryover into other solutions or quality impairments on the PCB. The aim of the rinsing process is to use exactly as much water in each process section as is necessary to minimise water consumption, but not too little. Using too little rinsing water could contaminate subsequent process solutions, resulting in the consumption of chemical resources and possibly an increase in waste. The greatest risk is that an insufficiently rinsed circuit board will corrode or malfunction in any way due to contamination with salts and the elaborately manufactured product will have to be disposed of.

SCHWEIZER has taken numerous measures to minimise the amount of flushing water, all of which are effective in their own right and also complement each other very well when combined. These measures are discussed in more detail under item E3-2-measures and resources.

Effects in connection with the process

In the area of water resources, both the contribution of water consumption and the discharge of wastewater were assessed as a material impact. Standard information on the materiality analysis, risks and opportunities for all areas of the sustainability report is set out in section IRO-1. Our approach to identifying and assessing material impacts, risks and opportunities in the ESRS 2 document section.

The risk of water shortages is currently of secondary relevance, as sufficient water is available at the Schweizer Electronic AG site. Based on the available data, there are also no significant changes in the groundwater level or seasonal water shortages.¹⁾

1) Aqueduct Water Risk Atlas

The results of this materiality analysis are an important part of Schweizer Electronic AG's sustainability strategy and serve as a basis for future measures and initiatives to promote sustainable development.

Our concepts related to water and marine resources [E3-1] [MDR-P]

The corporate goal of harmonising the needs of the environment with the careful use of energy is an indispensable part of the SCHWEIZER corporate concept. This is based on the DIN EN ISO 14001 and DIN EN ISO 50001 standards, which address key sustainability aspects such as climate change and strive to continuously improve environmental concerns and energy efficiency.

SCHWEIZER's water-intensive processes generate a large amount of wastewater. The treatment of this wastewater consumes a lot of energy and can have a negative impact

on the environment. The limit values for the metal content of copper, nickel and tin in wastewater are always complied with. At approx. 80%, the majority of the wastewater is categorised as slightly contaminated. The remainder is divided into the fractions heavily contaminated and contaminated with complexing agents. The wastewater fractions are already separated during the production process so that they do not mix and can be treated in SCHWEIZER'S wastewater plant. SCHWEIZER uses constant analyses to ensure the quality of the water before it is disposed of. This ensures that no damage is caused to the environment or the company.

Our measures and resources [E3-2] [MDR-A]

Schweizer Electronic AG focuses on the efficient use and procurement of water resources in order to minimise water consumption and promote sustainability. The implementation of water treatment measures ensures that water can be reused, which contributes to more sustainable water procurement. Measures are taken to prevent and minimise water pollution from operational activities.

As part of Schweizer Electronic AG's sustainability strategy, comprehensive measures are being implemented to reduce water consumption and ensure environmentally friendly water drainage.

Water consumption

Schweizer Electronic AG has set itself the goal of minimising water consumption in its processes. This is achieved through various measures:

- **Sensitisation of employees:** Every year, all employees are sensitised to the environmental issues that lie within their sphere of influence. They are informed about the company's targets in the area of wastewater and receive information on the status of target achievement in the areas of waste, wastewater and energy consumption several times a year.
- **Cascade flushing:** Cascade flushing is used consistently when planning the systems. The supply of fresh water to the cascades is controlled automatically and depends

on the specified flow rate setpoint, the inlet time or the system programme. When the system is at a standstill, water dosing is stopped to avoid unnecessary water consumption.

- **Rainwater utilisation:** Schweizer Electronic AG collects rainwater via the roof surfaces and channels it for internal use. Depending on the amount of rainfall and total annual water consumption, this usually accounts for over 20 % of water consumption. The rainwater collection basins have a volume of over 1,000 m³ and relieve the sewerage system during heavy rainfall.
- **Water recycling:** Some of the low-polluted water is recycled and in the production processes. In the area of air conditioning systems, for example, this amounts to 3,000 to 4,000 m³ per year.
- **Discharge of water:** The absolute amount of treated wastewater from the production facilities is limited. Schweizer Electronic AG relies on measures to minimise the amount of process wastewater produced, which begin as early as the planning stage of the plants. The function of the water control system is checked by employees using checklists. The discharge of wastewater is reported on in report E2 Environmental pollution.

The active water consumption review records the amount of fresh water consumed by a specific process system and is also an indication of the amount of wastewater produced by the system. The amount of fresh water supplied to the system (flow meter) is recorded per week. The area of circuit boards passing through the system is selected as the reference value.

The volume of wastewater from the wastewater system measured at the transfer point to the sewer is recorded for the entire operation. This involves process water, which is chemically and physically treated in the in-house wastewater treatment plant and then discharged into the public sewer system.

With regard to investments, there are currently no plans that are directly aimed at

minimising water consumption. However, water-saving measures are taken into account when purchasing new equipment.

Our goals [E3-3] [MDR-T]

As part of its environmental and energy targets, Schweizer Electronic AG has set itself the goal of keeping wastewater consumption per process hour below 180 litres per hour by 2024. This target is based on the ISO 14001 concept and is a relative target that applies to the company’s production areas. It is not based on any scientific findings and the monitoring process is carried out in accordance with the requirements of ISO 14001. The aim is to keep wastewater consumption constant.

Another target for the years 2025 to 2028 is the monthly review of the water consumption of the production facilities. This target is also based on the concept of DIN EN ISO 14001 but is an absolute target and applies specifically to the PCB production areas of Schweizer Electronic AG. As with the previous target, it is not based on any scientific findings and the monitoring process is carried out in accordance with the requirements of ISO 14001. There is no reference year or reference value for measuring progress, and no staged or interim targets have been set. The progress of this target has already begun.

Key figures [E3-4] [MDR-M]

The following table lists the water consumption of Schweizer Electronic AG in 2024. The water consumption refers to the entire company and includes the water required for production as well as the water used in the staff areas. This includes the water

required for the staff social areas and the water for the absorption chiller. The proportion of water purchased from the city is counted via the city water meter. The proportion of city water varies slightly from year to year, depending on the amount of precipitation and total consumption. For 2024, it amounts to 68 %. The remainder of the water consumption, consisting of rainwater and water from the air conditioning systems, is also determined using separate water meters.

	2024
Water consumption (in m ³) fresh water for the entire company	81,153
Recovered and reused water (in m ³) incl. rainwater	26,167
Water intensity (in m ³ / € million)	0.00106
Water intensity (in m ³ /h production incl. CHP) (Annual Report 2023, p. 79)	0.286
Wastewater generation m ³ /h production, measured at the outlet of the wastewater system	0.187

The amount of wastewater is measured daily if purified water leaves the wastewater system. The measurement is carried out with a calibrated magnetic inductive flow meter, which is replaced annually. The measured wastewater volume is recorded. The production hours are used as a specific parameter in order to put the absolute value in relation to our produced goods. The hours required not only reflect the area of the goods fed into our production, but also their complexity. The production hours are a fixed value per system and if the goods pass through a system, these hours are reported back with the order cancellation. This provides a good picture of how many hours were spent on the goods.

2.4 RESOURCE UTILISATION AND CIRCULAR ECONOMY

Key aspects, concepts, measures and objectives

The production of printed circuit boards requires a high consumption of resources and leads to a considerable amount of waste. A finished printed circuit board consists of numerous materials such as glass, resins, lacquers and metals. Various chemicals such as acids, alkalis, solvents and aluminium are also required for production. In the course of production, these materials and generate waste, which is carefully separated at Schweizer Electronic AG. In 2024, this waste was collected separately in over 60 fractions and most of it was sent for recycling. Careful separation is not only a prerequisite for achieving high recyclable waste volumes, but also helps to minimise disposal costs, as the proportion of waste to be incinerated can be reduced.

The processes and production steps that account for a significant proportion of the total waste generated by Schweizer Electronic AG include the production of the printed circuit board, the application and stripping or development of lacquers and photoresist, the trimming, milling and drilling of the printed circuit boards and the disposal of concentrates and sludge from the treatment of the wastewater produced.

The circular economy is seen as a solution to the global waste problem, slows down the consumption of resources and reduces climate-damaging greenhouse gases. We therefore attach great importance to the avoidance and separation of waste. Through these measures, Schweizer Electronic AG contributes to the sustainable use of raw materials.

Schweizer Electronic AG uses critical or strategic raw materials such as aluminium, boron, cobalt, copper, magnesium, manganese, nickel, phosphate, fluorides from regional extraction and palladium to manufacture printed circuit boards. Added to this are titanium and metals accompanying stainless steel, such as tungsten, which

is used in equipment, rare earth metals in magnets, platinum in catalytic converters and lithium in batteries. Other metals that have to be procured from the global market are gold, silver and tin. Increasingly, semi-finished products such as base materials also have to be sourced from non-EU countries. This risk is reflected both in cost increases and in physical procurement. The constellations listed can have a negative impact on the prices of our products. A printed circuit board essentially consists of base materials such as PP and FR4, insulating glass fibre material and epoxy resin. The copper conductor tracks are coated with tin, nickel gold or nickel gold palladium and are protected by a protective lacquer (stop lacquer). In addition, copper foils and various chemicals are used for etching processes, strippers, galvanic and chemical baths and water and wastewater treatment.

Lacquers and solvents are also required for the stop lacquer. Some printed circuit boards contain inlays (solid copper parts) or chips (S-Cells). Anodes for electroplating baths, films and resists for conductor track formation, separating and thermal pads for pressing as well as drilling and milling materials including aluminium are also used in production.

Finally, the blanks are packaged using film, paper and cardboard.

The manufacture of a printed circuit board does not include: production equipment, filters, seals, metal sheets, pads, paper and ion exchange resins.

The dependence on copper as a raw material is particularly striking, although it can be recovered very easily. Copper accounts for around 11 % of the material required to manufacture a printed circuit board.

In addition to the materials mentioned above, large quantities of chemicals such as acids, alkalis and salts as well as paints and solvents are also used. Furthermore, special materials such as drill pads and intermediate layers are used for drilling and milling.

Effects in connection with the manufacturing process

In the area of the circular economy, the **contribution to increasing waste generation** was assessed as a negative and actual impact. This assessment falls under the ESRS E5 standard and indicates the need to take measures to reduce the amount of waste generated. Another identified risk is the **dependence on raw material suppliers and transport routes**. This risk is also categorised under the ESRS E5 standard and highlights the importance of a stable and sustainable supply chain.

In the area of waste, the **contribution to increasing the amount of waste** was also assessed as a negative and actual impact that falls under the ESRS E5 standard. This assessment emphasises the urgency of developing and implementing strategies to prevent and reduce waste.

Our concepts in connection with resource utilisation and the circular economy [E5-1] [MDR-P]

One of the key environmental issues is the responsible use of resources and waste. At Schweizer Electronic AG, this is actively demanded of every employee through the company's mission statement. The mission statement commits everyone to continuous improvement and emphasises the reduction of environmental pollution.

Schweizer Electronic AG has also committed itself to a common understanding of socially responsible corporate governance as part of its Code of Conduct (CoC). A key aspect of this CoC is the minimisation of negative environmental impacts.

An important aspect of effective waste management is to ensure that no unknown or non-disposable materials enter the company. New materials are therefore checked for their composition and disposability in the context of the waste generated at Schweizer Electronic AG before they are procured. This procedure is regulated by the procurement and management process, which is specified by approval processes with associated checklists. In particular, care is taken to ensure that no chemicals are used that cannot be treated in the company's own wastewater system in order to avoid unnecessary waste.

Schweizer Electronic AG relies on various measures for the high-quality disposal of the waste produced, which are described in detail later in the report.

Our measures and resources [E5-2] [MDR-A]

In addition to the statutory requirements for the separation and high-quality recycling of waste, it is the aim of all employees to comply with company guidelines. The aim of these guidelines is to minimise the amount of easily recyclable waste while increasing product complexity and quality requirements.

Schweizer Electronic AG has implemented various measures to this end. Every year, all employees are sensitised to environmental issues within their sphere of influence as part of training courses. They are also informed about the company's objectives, including in the area of waste. Information on the status of target achievement in the areas of waste, wastewater and energy consumption is provided several times a year so that every employee can inform themselves personally.

In addition, line managers receive special training on their knowledge of the waste hierarchy, separation and collection locations. Proper separation of the various waste

fractions is achieved through consistent labelling of all collection containers, both large and small. The labelling not only includes the name of the fraction, but also gives examples of what may and may not be placed in the container. Contact persons are also named for any assistance that may be required. The labels are accessible to line managers so that new labelling can be applied quickly if necessary.

The separation of waste is technically supported by the fact liquid waste is not mixed with different solutions that are disposed of. This ensures that the liquid waste can be recycled to the highest possible quality, i.e. material recycling.

The processes at Schweizer Electronic AG are closely monitored analytically and automatic dosing systems are used in many areas to minimise waste caused by contaminated process chemicals and faulty products.

It goes without saying that the necessary waste balances are prepared, which contain all the data required by the authorities and other interested parties, such as quantity, disposal company, waste code number and the hierarchy of disposal. Schweizer Electronic AG must also provide data on waste as part of statistical surveys.

This data is collected by the appointed waste officer(s). Random checks of waste are also carried out on site by the appointed person. The top management is informed during the year by means of interim information at meetings and annually via the waste report integrated into the environmental report. Information on waste, templates, training presentations, locations and targets are stored on a path accessible to department heads, so that the current status is always available.

Schweizer Electronic AG generally takes care to qualify several raw material suppliers. However, this has its limits, as certain materials often specified by the customer for the production of a printed circuit board.

The primary goal is to keep the volume of waste constant and not to increase it. This is particularly important as ever higher quality requirements, smaller batches in some cases and increased hole drilling result in more waste. For example, more intermediate drilling layers, more cover layers, an earlier change of bath solutions and finer filters are required. It is generally assumed that the volume of waste will increase specifically, particularly in the area of hazardous waste. In the area of commercial waste, the aim is also to keep the volume of waste constant. Production aids are already being used twice where possible, such as drilling materials. However, there are currently no new dual uses.

The status of the measures is ongoing, and they are always implemented when it makes sense.

Our goals [E5-3] [MDR-T]

Below we show the waste volume targets for Schweizer Electronic AG Schramberg. These targets are based on the concept of target disclosure and information, are defined as relative targets and are monitored by monitoring the quantities generated. These targets are not based on scientific findings.

The waste quantities are recorded by the waste disposal company using its calibrated scales. The quantities are transmitted to Schweizer Electronic AG using weighing slips and invoices and, in the case of hazardous waste, also via the waste disposal certificate.

In order to better establish a link to the production situation, a reference value is also for waste, as described in Chapter E3-2 - Measures and resources in connection with water and marine resources. The production hours are used as a specific variable in order to put the absolute value of the waste mass in relation to our produced goods. The hours required reflect not only the surface area of the goods fed into our production, but also their complexity.

The aim of the monitoring process is to check the quantities produced against the targets. Monitoring takes place on a quarterly basis.

The aim of waste monitoring at Schweizer Electronic AG Schramberg is to maintain a high level of awareness within the company with regard to waste separation and waste generation. Systematic and regular monitoring of waste volumes ensures that all employees are continuously informed about the importance of correct waste separation and the impact of waste generation on the environment.

The following company-specific key figures and objectives are used to quantitatively assess this objective:

- Total waste: ≤ 6.2 kg/h
- Hazardous waste: ≤ 4.25 kg/h
- Commercial waste: 50 tonnes or 0.15 kg/h

Key figures

Purchase of resources

The total mass of products and materials used was determined on the basis of SAP data on material consumption for the production of a printed circuit board at Schweizer Electronic AG.

Waste from manufacturing [E5-5] [MDR-M]

The total amount of waste is regularly recorded and documented by our waste disposal company. This data forms the basis for our analyses. By reporting back the production hours, we can calculate the amount of waste per production hour. This key figure enables us to identify and implement targeted measures to reduce waste.

		2024	2023
1	Total amount of waste generated (in tonnes)	1,931	2,325
2	of which hazardous waste (in tonnes)	1,264	1,503
3	Total quantity of hazardous waste diverted from disposal (in tonnes)	1,056	1,251
4	of which quantity recycled (in tonnes)	1,049	1,240
5	of which quantity treated by other recovery processes (in tonnes)	6	11
6	Total quantity of non-hazardous waste diverted from disposal (in tonnes)	646	680
7	of which quantity recycled (in tonnes)	503	529
8	of which quantity treated by other recovery processes (in tonnes)	144	151
9	Total quantity of hazardous waste destined for disposal (in tonnes)	187	235
10	of which quantity incinerated (in tonnes)	187	235
11	Total quantity of non-hazardous waste destined for disposal (in tonnes)	0	14
12	of which quantity incinerated (in tonnes)	0	14
13	Total amount of non-recycled waste (in tonnes)	187	250
14	Proportion of non-recycled waste (in %)	12	13

The stated quantities of recycled waste refer to the delivery from Schweizer Electronic AG to the disposal company, not to the residues generated by the disposal company.

Some of the processes and production steps involved in the manufacture of printed circuit boards, which account for a significant proportion of the total waste generated, are described below.

A key process step in the manufacture of a printed circuit board is the etching of copper in an acidic or alkaline etching solution. These etching solutions make up the largest proportion of the total waste generated at Schweizer Electronic AG, with acid etching accounting for around 40 % and alkaline etching for around 3 %. The copper and the hydrochloric acid it contains are recovered and reused by the disposal companies. The ingredients are also recovered from the alkaline etch.

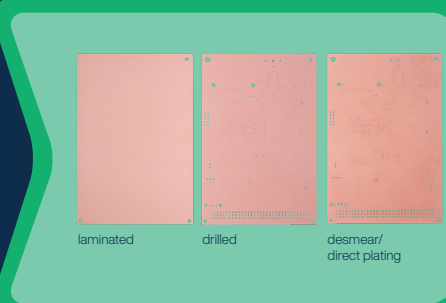
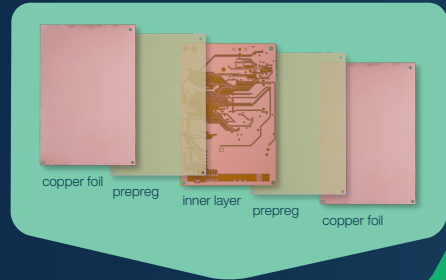
When etching the conductive pattern, a protective layer is applied which is later removed again. This produces an alkaline solution with hardened varnish, which is disposed of as photoresist waste and accounts for around 7 to 8 % of the total waste generated. Mechanical processing such as trimming, drilling and milling generates non-hazardous waste, which ends up in the PCB scrap and contributes to 8 to 9 % of the total waste generated. Chipboard and laminates are thermally utilised and the resulting dust is disposed of, with the metallic components being recovered.

The in-house wastewater treatment plant produces around 13 % of the waste in the form of copper-containing sludge, from which the metallic components are also recovered. The percentage of waste has remained constant for years. The substances and materials contained are metals, plastics, paper, epoxy resins, wood, copper salts, other metal salts, aluminium, stainless steel, tin, steel, alkaline and acidic solutions, paints, solvents, oils and other materials.

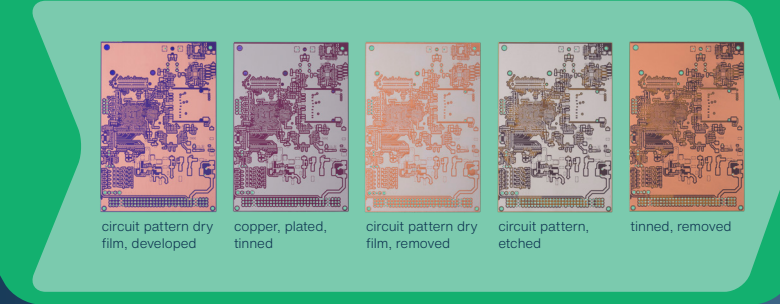
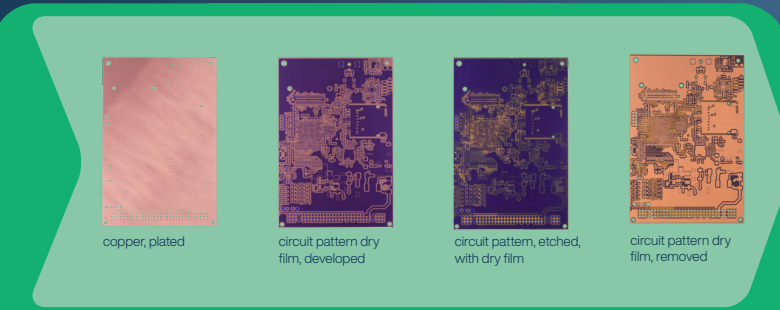
The following diagram shows the most important process sequences of a printed circuit board. It shows how the copper surface is etched to produce the conductive

tracks. The protective layer required for etching is blue and, once it has been removed from the PCB, represents a large proportion of the waste.

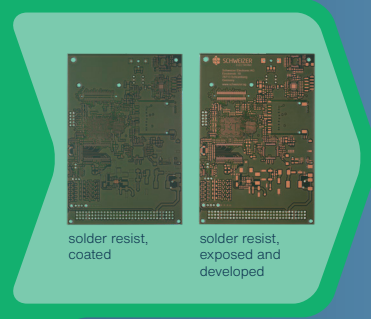
Multilayer Manufacturing



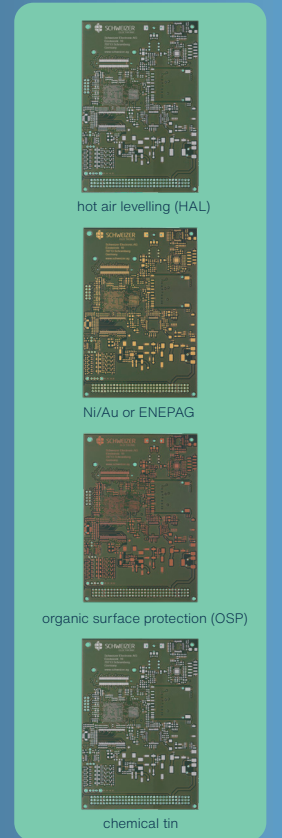
Panel Plating



Pattern Plating



Final Surfaces



Company-specific key figures [MDR-M]

These key figures illustrate how much waste the entire company requires per production hour for the printed circuit boards manufactured. In particular, it serves as a control to recognise whether the ratio of the amount of waste to the effort required to manufacture the PCB is drifting apart. The production side for the manufacture of the PCB produces almost exclusively hazardous waste and is therefore a particularly good indicator of the good setting and the consistently good condition of the systems at Schweizer Electronic AG.

Company-specific key figures	2024	2023
Specific amount of waste (kg/h production)	6.8	6.2
Specific hazardous waste (kg/h production)	4.5	4.2

The following company-specific key figures for the years 2023 and 2024 were recorded as part of the circular economy at Schweizer Electronic AG Schramberg:

Specific waste volume: In 2024, the specific waste volume was 6.8 kg/h of production, which represents an increase compared to the previous year, in which the specific waste volume was 6.2 kg/h of production.

Specific hazardous waste: Specific hazardous waste increased to 4.5 kg/h of production in 2024, compared to 4.2 kg/h of production in 2023. This deviation from the target can be attributed to various causes, including special effects such as machine dismantling, special maintenance and trials.

2.5 EU TAXONOMY

The EU taxonomy, which came into force on 12 July 2020, aims to channel capital flows into sustainable projects and activities in order to achieve the EU's 2030 decarbonisation and environmental targets and become the first climate-neutral continent by 2050.

The EU taxonomy results were determined on the basis of the EU Commission Delegated Regulation (EU) 2021/2178 in conjunction with the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements. As a standardised and legally binding classification system, it defines which economic activities that result in revenue, capital expenditure (CapEx) or operating expenses (OpEx) are considered "environmentally sustainable". The results of this classification must be reported annually on a company-specific basis.

Article 9 of the Taxonomy Regulation lists the following six environmental objectives:

1. climate protection;
2. adaptation to climate change;
3. the sustainable use and protection of water and marine resources;
4. the transition to a circular economy;
5. prevention and reduction of environmental pollution;
6. the protection and restoration of biodiversity and ecosystems.

In 2023, further economic activities were added to the environmental objectives of climate protection and adaptation to climate change, which contribute significantly to the environmental objectives (Delegated Regulation (EU) 2023/2485). These include, example, the manufacture of automotive and mobility components or activities in the aviation sector. SCHWEIZER'S business activity, the manufacture of printed circuit boards, was covered by the EU taxonomy for the first time in 2023, i.e. it was described in the delegated act for the first time. With the aforementioned addition of economic activities and the publication of all targets, some of SCHWEIZER'S core

activity are covered (see section on Turnover). SCHWEIZER's products are used in the field of renewable energy and energy-efficient energy conversion, thereby also contributing to sustainable topics outside the framework of the EU taxonomy.

With regard to the classification of an economic activity as "environmentally sustainable" within the meaning of the EU taxonomy, a distinction must be made between taxonomy eligibility and taxonomy alignment. The first step is to check whether an economic activity is described in the Delegated Acts and is therefore taxonomy-compliant, i.e. potentially "environmentally sustainable". At SCHWEIZER, we once again conducted a survey of the relevant responsible parties last year. The analyses were carried out in the areas of finance, production and sales, among others, in order to filter out possible relevant economic activities. These were then verified on the basis of actual sales and costs. We categorised the following economic activities as taxonomy eligibility:

Activity	Number	Environmental goal	Brief description
Production of and mobility components	3.18	Climate protection	Production of so-called p ² Pack (Embedding-technology), a printed circuit board that increases electrical efficiency and is currently used in hybrid and electric vehicles. By increasing the range in electric mode, CO ₂ -emissions are reduced
Electricity generation from fossil gaseous fuels	4.29	Climate protection	Maintenance costs for the operation of a CHP unit
Construction, expansion and operation of Wastewater collection and treatment systems	5.3	Climate protection	Maintenance of a wastewater system
Transport with motorbikes, passenger cars and light commercial vehicles	6.5	Climate protection	Leasing of company cars
Collection and transport of non-hazardous and hazardous waste	2.3	Transition to a circular economy	Collection and sale materials discarded during production
Remediation of contaminated sites and areas	2.4	Prevention and reduction of environmental pollution	Operating expenses for pollutant measurements at the former site in Dunningen

Only taxonomy-eligible economic activities can be considered truly 'environmentally sustainable' and therefore taxonomy-aligned if they meet certain criteria. Accordingly, the second step is to evaluate whether the aforementioned technical assessment criteria (significant contribution and Do No Significant Harm (DNSH)) are fulfilled in order to be classified as taxonomy-aligned. For the taxonomy-eligible economic activities, we analysed the technical assessment criteria. As a climate risk analysis is part of the compliance requirements for all economic activities and we have not yet carried this out for any of our sites, our compliance rate for all KPIs is zero.

The calculation of the sales, CapEx and OpEx figures is based on the Delegated Regulation (EU) 2021/2178 and is based on the figures reported in the consolidated financial statements. All fully consolidated and proportionately consolidated Group companies are included in this analysis.

Due to § 289b (1) in conjunction with § 315b HGB and Article 8 of the Taxonomy Regulation, SCHWEIZER is obliged to apply the regulatory provisions of the Taxonomy Regulation. In accordance with Section 315e (1) HGB, the consolidated financial statements of Schweizer Electronic AG as at 31 December 2024 have been prepared in accordance with IFRS. The IFRS consolidated financial statements thus serve as the basis for determining the following figures.

Turnover

The sales ratio is calculated as the ratio of sales revenues from taxonomy-eligible and taxonomy-aligned economic activities in a financial year (numerator) to total sales revenues in that financial year (denominator).

The total sales revenue of EUR 144.5 million for the 2024 financial year forms the denominator of the sales indicator and can be found in the consolidated income statement.

SCHWEIZER'S revenue reported in the consolidated income statement is analysed across all Group companies to determine whether it generated with economic activities from all environmental targets.

The following relevant economic activities were identified for SCHWEIZER in the delegated acts:

- 3.18 Production of automotive and mobility components (environmental objective 1)
- 2.3 Collection and transport of non-hazardous and hazardous waste (environmental objective 4)

The successful series ramp-up of p² Pack technology in 2024 increased taxonomy-eligible revenue to EUR 32,961 thousand (2023: EUR 6,178 thousand). The p² Pack technology is being used in cars with combustion engines, which are supported by hybrid technology to significantly reduce fuel consumption.

The taxonomy-eligible turnover is 23.78 % and the taxonomy-aligned turnover is 0 %.

Investments (CAPEX)

For SCHWEIZER, the denominator of capital expenditure results from additions to property, plant and equipment and intangible assets and from right-of-use assets in accordance with IFRS 16 before depreciation, amortisation and any revaluations for the relevant financial year and without changes in fair value. The total capital expenditure in accordance with Taxonomy Regulation Art. 8 Annex I 1.1.2.1 amounts to EUR 2,849 thousand (see respective disclosures in the consolidated statement of changes in non-current assets).

In accordance with Taxonomy Regulation Art. 8 Annex I 1.1.2.2, the CapEx numerator indicates the share of capital expenditure that is related to either a taxonomy-eligible or taxonomy-aligned economic activity.

In order to determine the numerator for SCHWEIZER, the additions were analysed using the description of economic activities. In the 2024 financial year, investments totalling EUR 518 thousand were incurred in connection with the following economic activities (Regulation (EU) 2021/2139, Annex I, No. 1.1.2.2 categories a) and c)):

- 4.29 Electricity generation from fossil gaseous fuels (environmental objective 1)
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (environmental objective 1)

For the CapEx KPI, this results in a taxonomy-eligible of 18.17 % and a taxonomy-aligned of 0 %.

Operating expenses (OPEX)

The denominator for operating expenses is the sum of expenses for direct, non-capitalised research and development expenses, building renovation measures, short-term leasing, maintenance and servicing, as well as all other direct expenses in connection with the daily maintenance of tangible fixed assets that are necessary to ensure their functionality. SCHWEIZER's total operating expenses in accordance with Taxonomy Regulation Art. 8 Annex I 1.1.3.1 amount to EUR 7,257 thousand and include research and development costs, short-term leasing and maintenance and repair costs.

The OpEx numerator in accordance with Taxonomy Regulation Art. 8 Annex I 1.1.3.2. indicates the proportion of operating expenses with taxonomy-eligible or taxonomy-aligned economic activities, with a CapEx plan or with the acquisition of products from a taxonomy-eligible or taxonomy-aligned economic activity.

The numerator of the OpEx key figure for SCHWEIZER results from an analysis of the expenses recognised in the above-mentioned accounts with regard to taxonomy-eligible economic activities. Therefore, EUR 430 thousand related to the following economic activities are classified as taxonomy-eligible:

- 4.29 Electricity generation from fossil gaseous fuels (environmental objective 1)
- 5.3 Construction, expansion and operation of wastewater collection and treatment systems (environmental objective 1)
- 2.4 Remediation of contaminated sites and areas (environmental objective 5)

The taxonomy eligibility for the OpEx KPI is 5.92 %, for taxonomy alignment 0 %.

In determining the above-mentioned key figures, various test steps were carried out,

including documenting the data generation and ensuring reconcilability with other financial information, to avoid any double counting of economic activities.

REPORTING FORM: SHARE OF TURNOVER FROM GOODS OR SERVICES RELATED TO TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE FOR THE YEAR 2024

Financial year 2024

Economic activities	Code (a)	Turnover in TEUR	Share of sales, 2024 %	Criteria for a significant contribution						DNSH-criteria ('No significant impairment')							Share of taxonomy- aligned (A.1) or taxonomy-eligible (A.2.) sales, year 2023	Category enabling activity E	Category Transitional activity T
				Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection			
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMIC-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%														0%		
Enabling activities		0	0%														0%	E	
Of which transitional activities		0	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
				EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)							%		
Manufacture of automotive and mobility components	CCM 3.18	32,961	22.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							4.4%		
Collection and transport of and hazardous waste	CE 2.3	1,415	1.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N/EL							1.0%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		34,376	23.78%	22.8%	0%	0%	0%	0.98%	0%								5.45%		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		34,376	23.78%	22.8%	0%	0%	0%	0.98%	0								5.45%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of activities not subject to taxonomy		110,171	76.22%																
TOTAL		144,547	100%																

REPORTING FORM: CAPEX SHARE FROM GOODS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE FOR THE YEAR 2024

Financial year 2024

Economic activities	Code (a)	CapEx in TEUR	CapEx share, 2024 %	Criteria for a significant contribution						DNSH-criteria ('No significant impairment')							Share of taxonomy- aligned (A.1.) or taxonomy-eligible (A.2.) sales, year 2023 %	Category enabling activity E	Category Transitional activity T
				Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection			
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMIC-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned))																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%							0%		
Enabling activities		0	0%	0%	0%	0%	0%	0%	0%	0%							0%	E	
Of which transitional activities		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
				EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)										
Manufacture of automotive and mobility components	CCM 3.18	0	0,00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								22.45%		
Electricity generation from gaseous fuels	CCM 4.29 / CCA 4.29	208	7.30%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	310	10.88%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								15.57%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4 / CCA 7.4	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings	CCM 7.5 / CCA 7.5	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.51%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 / CCA 7.6	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.71%		
CapEx of taxonomy-aligned but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		518	18.17%	18.17%	0%	0%	0%	0%	0%								45.29%		
A. CapEx of taxonomy-eligible activities (A.1+A.2)		518	18.17%	18.17%	0%	0%	0%	0%	0%								45.29%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
CapEx of non-taxonomy-eligible capable activities		2,331	81.83%																
TOTAL		2,849	100%																

REPORTING FORM: OPEX SHARE OF GOODS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE FOR THE YEAR 2024

Financial year 2024

Economic activities	Code (a)	OpEx in TEUR	OpEx share, 2024 %	Criteria for a significant contribution						DNSH-criteria ('No significant impairment')							Share of taxonomy- aligned (A.1.) or taxonomy-eligible (A.2.) sales, year 2023	Category enabling activity	Category Transitional activity	
				Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection				
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMIC-ELIGIBLE ACTIVITIES																				
A.1 Ecologically sustainable activities (taxonomy-aligned)																				
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%								0%		
Enabling activities		0	0%	0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which transitional activities		0	0%	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																				
Electricity generation from gaseous fuels	CCM 4.29 / CCA 4.29	129	1.78%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.14%		
Construction, expansion and operation of wastewater collection and treatment systems	CCM 5.3 / CCA 5.3	290	3.99%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.21%		
Remediation of contaminated sites and areas	PPC 2.4	11	0.15%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.08%		
OpEx of taxonomy-aligned but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		430	5.92%	0%	0%	0%	0%	0%	0%	0%								8.43%		
A. OpEx of taxonomy-aligned activities (A.1+A.2)		430	5.92%	0%	0%	0%	0%	0%	0%	0%								8.43%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
OpEx of activities not eligible for taxonomy		6,827	94.08%																	
TOTAL		7,257	100%																	

(a) The code represents the abbreviation of the relevant objective to which the economic activity can make a significant contribution and the number of the section of the activity in the relevant annex that covers the objective, i.e.

- Climate protection: CCM (Climate Change Mitigation)
- Adaptation to climate change: CCA (Climate Change Adaptation)
- Water and marine resources: WTR (Water)
- Circular economy: CE (Circular Economy)
- Pollution prevention and control: PPC (Pollution Prevention and Control)
- Biodiversity and ecosystems: BIO (Biodiversity and ecosystems)

(b) Y - Yes, taxonomy-eligible activity that conforms to the relevant environmental objective

N - No, taxonomy-eligible activity, but not taxonomy-aligned with the relevant environmental objective

N/EL - 'not eligible', activity not eligible for taxonomy for the respective environmental objective

Tables according to footnote (c)

(c) Turnover/total turnover

	Taxonomy-aligned per target	Taxonomy-eligible per target
CCM	0 %	22.77 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0.98 %
PPC	0 %	0 %
BIO	0 %	0 %

(c) CapEx share/total CapEx

	Taxonomy-aligned per target	Taxonomy-eligible per target
CCM	0 %	18.17 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

(c) OpEx share/total OpEx

	Taxonomy-aligned per target	Taxonomy-eligible per target
CCM	0 %	5.92 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

(d) EL - Activity eligible for taxonomy for the respective objective.

N/EL - Activity not eligible for taxonomy for the respective objective.

KEY FIGURES ACCORDING TO EU TAXONOMY – ACTIVITIES IN THE AREAS OF NUCLEAR ENERGY AND FOSSIL GAS

Additional information must be disclosed for economic activities in the field of nuclear energy and energy production from fossil gas (Delegated Regulation (EU) 2022/1214) for environmental objectives 1 and 2. SCHWEIZER has taxonomy-eligible operating expenditures for electricity generation from fossil gaseous fuels and therefore discloses the following reporting forms:

Registration form 1 to 5

Notification form 1 activities in the areas of nuclear energy and fossil gas

Activity in the field of nuclear energy		Yes/No
1.	The company is active in the research, development, demonstration and deployment of innovative power generation plants that generate energy from nuclear processes with minimal from the fuel cycle, finances such activities or holds risk positions in connection with these activities.	No
2.	The company is active in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – as well as in their safety improvement using the best available technologies, finances such activities or holds risk positions in connection with these activities.	No
3.	The company is active in the safe operation of existing nuclear facilities for the generation of electricity or process heat – including for district heating supply or industrial processes such as hydrogen production – as well as in their safety-related improvement, finances such activities or holds risk positions in connection with these activities.	No
Activities in the fossil gas sector		
4.	The company is active in the construction or operation of plants for the generation of electricity from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	Yes
5.	The company is active in the construction, modernisation and operation of plants for combined heat, power and cooling with fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	No
6.	The company is active in the construction, modernisation and operation of plants for heat generation that produce heat/cooling from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	No

Template 2 Taxonomy-aligned economic activities (denominator): OpEx

Line	Economic activity opportunities	Amount and share (in monetary amounts and as a percent)					
		CCM + CCA		Climate change Mitigation (CCM)		Adjustment Climate Change (CCA)	
		Amount in TEUR	%	Amount in TEUR	%	Amount in TEUR	%
4.	Amount and share of taxonomy-aligned economic activity in accordance with section 4.29 of I and II to Delegated Regulation (EU) 2021/2139 in the Denominator of the applicable KPI	0	0.00 %	0	0.00 %	0	0.00 %
7.	Amount and share of other taxonomy-aligned economic activities not listed in line 4 in the denominator of the OpEx KPI	0	0.00 %	0	0.00 %	0	0.00 %
8.	OpEx KPI in total	7,257	100.00 %				

Template 3 Taxonomy-aligned economic activities (numerator): OpEx

Line	Economic activity opportunities	Amount and share (in monetary amounts and as a percent)					
		CCM + CCA		Climate change Mitigation (CCM)		Adjustment Climate Change (CCA)	
		Amount in TEUR	%	Amount in TEUR	%	Amount in TEUR	%
4.	Amount and share of taxonomy-aligned economic activity in accordance with section 4.29 of I and II to Delegated Regulation (EU) 2021/2139 in the Counter of the applicable KPI	0	0.00 %	0	0.00 %	0	0.00 %
7.	Amount and of other taxonomy-aligned economic activities not listed in line 4 in the numerator of the OpEx KPI	0	0.00 %	0	0.00 %	0	0.00 %
8.	Total amount and share of taxonomy-aligned economic activities in the numerator of the OpEx KPI	0	0.00 %				

Reporting form 4 Taxonomy-eligible but non-taxonomy-aligned economic activities: OpEx

Line	Economic activity opportunities	Amount and share (in monetary amounts and as a percent)					
		CCM + CCA		Climate change Mitigation (CCM)		Adjustment Climate Change (CCA)	
		Amount in TEUR	%	Amount in TEUR	%	Amount in TEUR	%
4.	Amount and share of taxonomy-eligible but non-taxonomy-aligned economic activity in accordance with section 4.29 of I and II to Delegated Regulation (EU) 2021/2139 in the Denominator of the applicable KPI	129	30.11 %	129	30.11 %	0	0.00 %
7.	Amount and of other taxonomy-eligible but non-taxonomy-aligned economic activities not listed in line 4 in the denominator of the OpEx KPI	300	69.89 %	300	69.89 %	0	0.00 %
8.	Total amount and share of taxonomy-eligible but non-taxonomy-aligned economic activities in the denominator of the OpEx KPI	430	100.00 %				

Form 5 Economic activities not eligible for taxonomy: OpEx

Line	Economic activities	Amount in TEUR	Percent rate
4.	Amount and share of the economic activity in row 4 of template 1 that is not taxonomy-eligible according to section 4.29 of Annexes I and II to Dele-gated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00 %
7.	Amount and share of other non-taxonomy economic activities not listed in row 4 in the denominator of the OpEx KPI	6,827	100.00 %
8.	Total amount and share of non-taxonomy economic activities in the denominator of the OpEx KPI	6,827	100.00 %

3. SOCIAL

3.1 EMPLOYEES OF THE COMPANY

The most important resource and driving force behind SCHWEIZER is its employees. Within the SCHWEIZER family, we act as a team and together form the foundation for our success. Our culture is characterised by diversity, responsibility and trust. The commitment of all employees to the values and goals at SCHWEIZER ensures our profitability.

In order to be able to act as an attractive employer on the labour market, the topics of employee satisfaction, in particular **secure employment and remuneration, workload and health** as well as **training and further education** are of particular relevance to us.

Another focus is on the topic of **employees and human rights**, which is why SCHWEIZER is committed to ethically correct behaviour in the Code of Conduct and thus to complying with all relevant legal provisions that serve to prevent discrimination and to respect and observe human rights.

In order to fulfil our responsibility as an employer and guarantee our employees secure employment and remuneration, we also consider and evaluate the risk of **unused optimisation potential** within the company, which must be continuously reviewed and improved.

We also base our HR strategy and measures on key personnel indicators.

The relevant key figures in relation to employment, occupational health and safety include the total number of employees hired, the staff fluctuation, accidents at work and the resulting days of absence.

At the end of the year, the number of employees at the SCHWEIZER Group totalled 522 (of which 501 were in Germany). The fluctuation rate¹⁾ in Germany averaged 4.4 percent for the year (2023: 7.0 percent). Over 35 percent of our employees in Germany have been with us for more than 25 years. SCHWEIZER employed 21 people in Asia and the USA at the end of the year.

1) The fluctuation rate: own resignation / average number of employees (excluding temporary employees).

Occupational safety and protection measures have been further developed to protect our employees. At SCHWEIZER, we generally pursue a proactive and preventive approach to avoid illnesses that could be related to the respective work task as well as accidents at work. The number of work and commuting accidents has fallen by 10 percent compared to the previous year and the resulting days of absence have also more than halved compared to the previous year, which we attribute to an increased awareness of occupational safety in general.

Number of employees (31.12.) in persons

		2024			2023		
		Men	Women	Total	Men	Women	Total
in Germany¹⁾							
Category	Employees	130	72	202	140	69	209
	Production staff	203	96	299	242	109	351
	Full-time	332	145	477	376	153	529
	Part-time	1	23	24	6	25	31
		333	168	501	382	178	560
in Asia and USA							
Category	Employees	9	12	21	11	12	3
	Production staff	0	0	0	0	0	0
	Full-time	9	12	21	11	12	23
	Part-time	0	0	0	0	0	0
		9	12	21	11	12	23
Konzern		342	180	522	393	190	583

¹⁾ 2023: Including 14 temporary employees

Diversity among employees in percent

		2024		2023	
Group		Employees	Production staff	Employees	Production staff
Gender	Women	38 %	32 %	32 %	31 %
	Men	62 %	68 %	68 %	69 %
Age group	< 30 years	10 %	6 %	10 %	9 %
	30-50 years	41 %	34 %	41 %	35 %
	> 50 years	49 %	60 %	49 %	56 %
thereof in Germany					
Gender	Women	36 %	32 %	33 %	31 %
	Men	64 %	68 %	67 %	69 %
Age group	< 30 years	11 %	6 %	10 %	9 %
	30-50 years	37 %	34 %	38 %	35 %
	> 50 years	52 %	60 %	52 %	56 %
of which in Asia and the USA					
Gender	Women	57 %	0 %	52 %	0 %
	Men	43 %	0 %	48 %	0 %
Age group	< 30 years	5 %	0 %	4 %	0 %
	30-50 years	81 %	0 %	70 %	0 %
	> 50 years	14 %	0 %	26 %	0 %

**Number of work and commuting accidents
and resulting days of absence at the Schramberg site**

Financial year	Number of accidents at work and commuting accidents ¹⁾	Resulting days of absence
2024	9	83
2023	10	211
2022	12	175
2021	8	97

¹⁾ These are reportable work and commuting accidents.

SECURE EMPLOYMENT AND REMUNERATION

A reliable contribution to regional development

Schweizer Electronic AG has been a reliable employer in Schramberg and the surrounding region for 175 years. Thanks to our long-standing presence, we make a significant contribution to the positive development of the labour market in the region and offer secure employment opportunities for numerous people. Our overriding goal is to act as a secure and attractive employer. As an important indicator, we have therefore set ourselves the goal of achieving and maintaining a fluctuation rate of less than 5 percent per year. To achieve this goal, we have developed and implemented various concepts.

Our values

Our mission statement serves as the basis for secure employment and explains the framework for our strategy and actions. It represents our self-image, is intended to arouse enthusiasm for our company and convey the values and guiding principles that we see as the pillars of our success. As a leading PCB manufacturer, our vision not only to offer high-quality products, but also to actively contribute to the conservation of resources and the protection of our environment. Thanks to our many years of experience, we are able to constantly push the boundaries of what is possible. We utilise modern technologies and innovative production methods to develop products and services that meet the highest quality standards and satisfy the changing needs of our customers. Overall, we are convinced that strong quality and environmental awareness benefits our company as well as society and the environment. Through our commitment to continuous improvement and sustainable processes, we want to make a positive contribution and act as a role model. Our values form the foundation of our company and shape our behaviour in all aspects of our work. We are convinced that a strong set of values is crucial not only to be successful, but also to create a positive working environment in which all employees feel comfortable and can flourish.

Code of Conduct

As a globally active company, we are clearly committed to ethical and social standards. Our values are therefore also reflected in our Code of Conduct on social responsibility, which sets out what corporate responsibility means: fair working conditions, social and environmental compatibility as well as transparency, trusting cooperation and dialogue. All employees enjoy equal opportunities and equal treatment, regardless of origin, skin colour, gender, religious beliefs, sexual orientation, political opinion, social status or other distinguishing features. The inclusion of our employees is an integral part of our corporate culture. The company management attaches great importance to transparency and the opinion of the individual, which is why the door to the Executive Board and HR management is always open to all employees.

Transparent remuneration and equality

In terms of remuneration, we always ensure that applicable national minimum wage laws are complied with and that we orientate ourselves towards standard market conditions. In addition, our employees are regularly informed about the composition of their salaries. Employee performance appraisals are carried out annually, whereby we attach great importance to a transparent and comprehensible system for all employees. The assessed performance determines the annual performance bonus, which is paid as a variable component of basic remuneration and is linked to an annual appraisal interview.

With regard to equal pay, we have developed a job grouping system that includes an assessment of the respective job. Remuneration is based on this assessment, which means that women, men and diverse employees receive the same remuneration. The evaluation of the activity or job includes for example, the following criteria: Training (internal and external), perceptiveness, attentiveness, independence,

personnel and project responsibility, cooperation and physical strain. To protect our employees and their dependants, we offer emergency benefits, retirement and disability pensions, widows' and widowers' pensions, orphans' pensions and waiting periods in the form of qualifying periods of service.

With our concepts and the measures implemented in this regard we achieved a fluctuation rate (own terminations) of 4.4 percent in this reporting year. We have therefore achieved our target - a sign of the effectiveness of the measures we have implemented.

WORKLOAD AND HEALTH

Promoting health and well-being in the workplace

The well-being of our employees is at the centre of everything we do. With comprehensive occupational health management (OHM), we pursue the goal of sustainably improving the state of health, strengthening personal resources and minimising health risks. At the same time, we want to increase the motivation of our employees, increase job satisfaction and improve the working atmosphere by optimising working conditions. In order to continuously monitor the impact of our measures, we regularly analyse the sickness rate and derive targeted optimisation measures from this. Our company target for the sickness rate is an average of <7 percent per year.

Occupational health management (OHM) and job satisfaction

An essential component of our occupational health management programme is company integration management (BEM), which supports employees who have been unable to work for a long period of time through targeted measures, prevention, health promotion and rehabilitation and prevents them from becoming unable to work again. With the support of the company doctor, impulses for the reintegration of employees were supported and accompanied by occupational medicine. Our aim is to use occupational health management to sustainably improve the health of our employees, strengthen their personal resources and reduce health risks.

The aim is also to increase motivation through good working conditions, increase job satisfaction and improve the working atmosphere. For the company, this means fewer sick days, increased productivity and performance and an improvement in the quality of products and services. In addition, we offer employees approaching retirement a flexible option for a smooth transition into retirement (equal work and release phase) with the partial retirement model, which promotes a high level of job satisfaction in the long term.

Health and safety are also a high priority in our Code of Conduct. Our occupational health and safety management is based on international health and safety standards and ensures compliance with all legal regulations. We ensure that workplaces are suitably designed, that safety regulations are consistently adhered to and that all employees are provided with suitable personal protective equipment. Preventive controls and emergency measures have been defined for continuous improvement and recorded using an accident reporting system to ensure a safe working environment. We also guarantee access to clean drinking water (including in the form of drinking water dispensers) and hygienic sanitary facilities at all times. We also comply with all legal requirements regarding maximum working hours and monitor compliance with applicable laws and labour standards.

OUR MEASURES

Preventive healthcare and health promotion

Our approach to health promotion is based on preventative measures to avoid work-related illnesses and accidents. This includes regular training and instruction on the topics of occupational safety, environmental protection and energy management within the company.

In addition, we offer first aid courses for new first aiders at regular intervals as well as regular refresher and further training courses. Fire safety and evacuation drills are also part of our regular training programme to ensure that our employees are optimally prepared for emergencies.

To actively support the health of our employees, we offer an annual flu vaccination by our company doctor free of charge. We cooperate with health insurance companies to provide various preventive services. In 2023, for example, we carried out a free bowel cancer screening programme, while cardiovascular screening is planned for 2025. The one-off examinations at the workplace, which are free of charge for employees,

provide participants with valuable information about their state of health.

Another component of our health promotion programme is our mobility offer in co-operation with an external partner: employees can lease a bicycle or e-bike in the form of salary conversion. This programme has met with a very positive response and is an important component of employer attractiveness as well as an offer to employees to participate in **company health management (BGM)** campaigns. We also support participation in regional sporting events such as company runs or the 'STADT-RADELN – Radeln für ein gutes Klima' campaign, in which our team was recognised as the most active group in the district of Rottweil in 2024. By taking part in the sporting events, SCHWEIZER aims to raise employees' awareness of the issue of climate protection and create possible offers for health promotion. The prize money won by the team was donated by our employees to a charitable organisation. In addition, our employees benefit from discounted memberships at local gyms through existing co-operations.

Security management

Occupational safety is an integral part of our management system. By anchoring these topics in the management handbook, we ensure that safety and health protection are systematically and sustainably taken into account in our corporate processes. Our safety officer (SIFA) provides support in an advisory capacity and, together with the safety officer and the appointed company doctor, helps to recognise potential risks at an early stage and take suitable preventive measures to eliminate or avoid deficiencies in the workplace.

Improving occupational safety

As occupational safety is a high priority for us as a company, we involve our safety experts in the procurement and process approval of new machines, check the personal protective equipment for the activity and carry out risk assessments in order to systematically identify and continuously minimise physical and mental stress in the workplace. Regular site inspections and measurements at workplaces enable us to precisely analyse and continuously improve our safety standards.

KEY FIGURES ON OCCUPATIONAL SAFETY

To make our progress measurable, we record the number of reportable work and commuting accidents and the resulting days of absence every year. Last year, nine reportable accidents were registered, resulting in a total of 83 days of absence. Through targeted measures and continuous optimisation of our occupational safety concepts, we are working to further reduce these figures and create an even safer working environment for our employees.

EDUCATION AND TRAINING

The continuous training of our employees is a central component of our corporate strategy. Our aim is to promote talent at an early stage, retain it in the long term and develop it in a targeted manner.

Schweizer Electronic AG's training programme includes both commercial and technical professions. The company trains industrial clerks as well as warehouse logistics specialists, mechatronics technicians, machine and plant operators and surface coaters. Depending on requirements, training places are offered for students of the Duale Hochschule in the fields of business administration and industry or business

informatics. In addition to the specialist training in the departments and training workshops, our trainees and dual students also responsible for their own projects. These greatly promote motivation and independence in everyday working life.

Even for our youngest employees, we focus on high-quality training with the clear intention of taking on all of our trainees in the long term after they have successfully completed their training and deploying and developing them in our specialist departments. In this way, we proactively counter the shortage of skilled labour by developing our own qualified specialists.

In addition to traditional training, we attach great importance to the continuous professional development of our experienced employees. We sensitise our team to current challenges through targeted training measures, for example on the topic of cyber security in 2024.

In addition, recurring annual instructions are given on occupational safety, environmental protection and energy management. For new hires, this training takes place on the first day of work. The aim is to impart the relevant knowledge to employees before they start work for the first time and to sensitise and motivate them to act accordingly by regularly repeating the instruction. We communicate current results, changes or new regulations via the respective department and team managers, via our digital channels and via notices that are accessible to all employees.

We have established various concepts to implement our training strategy in a targeted manner:

- **Sustainable training concepts:** As part of our succession planning, we offer a wide range of commercial and technical apprenticeships as well as dual study programmes.
- **Internal and external training programmes:** In regular employee appraisals, we

conduct targeted interviews to determine individual training needs and employee potential in line with company requirements. Internal training courses impart specific knowledge that is necessary for the production of printed circuit boards and create increased expertise, while supplementary external seminars and exchanges with partners ensure in-depth expertise.

- **Structured feedback:** After each training or further education measure, a standardised assessment is carried out to identify strengths and potential for improvement in the training. In this way, we ensure the continuous optimisation of our training measures.

We also focus on specific measures to ensure high-quality further training:

- **School co-operations:** Through partnerships with schools in the district, we give young people in the region an early insight into our apprenticeships and arouse interest in a career in our company. At the same time, the schools benefit from the practical expertise of our specialists.
- **Structured onboarding process:** Individual induction plans ensure that new employees are optimally integrated and given targeted support right from the start.

EMPLOYEE AND HUMAN RIGHTS IN OUR OWN BUSINESS AREA RESPONSIBLE BEHAVIOUR AS A BASIS

Our internal Corporate Social Responsibility (CSR) Code is a key pillar of our corporate behaviour. It ensures that legal and moral principles are consistently adhered to. This includes the strict observance of regulations to prevent child labour, compliance with legal provisions on the employment of people with disabilities and the implementation of all relevant measures to prevent discrimination.

We are also committed to provisions that guarantee voluntary work and take a firm stand against sexual harassment and bullying in the workplace.

As a responsible company, it is our aim not only to be economically successful, but also to assume social responsibility. For this aspect, we also refer to our Code of Conduct, which serves as a guideline for our corporate behaviour. It defines fundamental principles with regard to compliance with internationally recognised human rights, reflects our self-image as a fair and ethical employer and promotes diversity, equal opportunities and diversity in our company.

We are also committed to the careful handling of conflict minerals and are actively committed to transparent and responsible supply chains. We also expect our suppliers to comply with the principles of our Code of Conduct or to apply equivalent codes of conduct. At the same time, we encourage them to enforce these standards in their own supply chains in order to ensure sustainable and fair value creation.

Another key tool is our whistleblower system (<https://schweizer.hintbox.eu>), which was introduced at SCHWEIZER in 2018. It is particularly important to us to recognise potential violations of laws, regulations or internal guidelines within the company at an early stage and to act accordingly. The system opens up a confidential communication channel through which employees, former colleagues and external stakeholders can send relevant information electronically to a central point. Particular attention is paid to the protection of personal rights, the right to informational self-determination and compliance with data protection. In 2024, no reports were received under the material scope of the Whistleblower Protection Act - a sign of the effectiveness of our preventive measures.

OUR MEASURES

We have implemented targeted measures to embed these principles throughout the company. All employees are obliged to read, familiarise themselves with and comply with the CSR Code. Managers in particular are responsible for actively communicating this code and living it in their daily work. As part of our onboarding process, we ensure that new employees are familiarised with the content.

Another building block for promoting a strong corporate culture is our Competency Framework. It defines clear guidelines for collaboration and leadership and provides both employees and managers with orientation for their daily actions. The aim is to create a shared understanding of responsibility and cooperation and thus create an inspiring and performance-enhancing working environment. Our managers are responsible for ensuring that the guidelines are known and practised by employees.

These measures ensure that our values not only exist on paper but are actively lived - for a corporate culture characterised by responsibility, respect and long-term sustainability.

UNUSED OPTIMISATION POTENTIAL (COMPANY-SPECIFIC)

Structured idea management for sustainable improvements

Effective ideas management plays a decisive role in the continuous development of our company. By actively involving our employees in improvement processes, we ensure that potential is recognised and utilised. Our aim is to identify risks at an early stage and achieve economic, qualitative and sustainable optimisation through targeted measures.

Our goals in the context of idea management are clearly defined: We strive for increased profitability through higher productivity, optimise the quality of our products and processes and reduce the consumption of auxiliary and operating materials. We also focus on the efficient design of products, procedures and processes, avoid waste and accelerate administrative and work processes. Another key aspect is the promotion of health and accident protection as well as the functional and employee-friendly design of workplaces. At the same time, we actively contribute to environmental protection with innovative ideas.

Ideas management itself is anchored in a company agreement and offers all employees the opportunity to actively contribute to improvements. As they have first-hand knowledge of the processes, they can provide valuable impetus for new solutions. Every suggestion for improvement submitted is scrutinised with regard to its feasibility. Successful ideas are communicated internally and translated into concrete measures, which are then transparently fed back to the workforce.

Through this structured approach, we create an environment that promotes innovation, in which creative ideas are not only valued, but also put into practice. In this way, we drive progress together and ensure the sustainable further development of our company.

OUR MEASURES

Risk awareness within the company is also regularly trained in order to avoid both recognised and discovered events as well as unforeseen events that pose a risk to the company.

Another important component is the structured implementation of employee surveys. These enable us to obtain valuable feedback and incorporate the opinions of our employees into decision-making processes.

A systematic concept supports the preparation, implementation and evaluation of these surveys so that the findings can be translated into targeted measures and communicated transparently.

We use various channels and formats to achieve our goals: Our employees are regularly informed about business developments - whether through notices, e-mail communication or direct discussions with managers. In addition, company meetings are held twice a year to ensure a transparent information culture.

3.2 LABOUR IN THE VALUE CHAIN

We believe that workers along the entire value chain should have access to fair working conditions, equal treatment and other relevant labour rights. Our value chain extends from the procurement of raw materials from suppliers, through transport by logistics companies to our production facility in Schramberg, to the transport of PCBs manufactured in-house to our customers. The printed circuit boards that we procure externally are delivered directly to SCHWEIZER's customers by our trading partners using the haulage companies we commission. We consider all external workers who are not under the direct supervision of SCHWEIZER to be labour in the value chain.

The "ZVEI Code of Conduct on Social Responsibility" (CoC) serves as the basis for our social responsibility in the context of our global activities. This guideline from the German Electrical and Electronic Manufacturers' Association (ZVEI) sets out what corporate responsibility means in terms of working conditions, social and environmental compatibility, transparency, trusting cooperation and dialogue. We do all this out of the deepest conviction, because we know that responsible behaviour pays off for a world worth living in, more trust and ever better products.

One of the key points of our CoC is the commitment to respect internationally recognised human rights, which include in particular the prohibition of child and forced labour, freedom of association and collective bargaining as well as the promotion of diversity and equal opportunities. We also regulate the careful handling of conflict minerals in our CoC.

We expect our suppliers to comply with the principles of this CoC or to apply equivalent codes of conduct. We also encourage them to enforce the contents of this CoC in their

supply chains. We intend to commit all of our suppliers to our CoC.

The implementation of our CoC is linked to the following guidelines:

Conflict Material Guideline

Conflict materials are natural resources whose extraction or trade can directly or indirectly finance or support armed conflicts. The best-known conflict materials include gold, tin, tantalum, tungsten and their derivatives, which are used in a variety of products such as electronics, jewellery, automobiles and other industrial goods.

Comprehensive measures have been implemented to ensure that SCHWEIZER is not indirectly involved in financing or supporting armed conflicts.

Supplier audits - regular audits of suppliers are carried out to ensure that they comply with the guidelines for avoiding conflict materials.

Transparency and traceability - full transparency and traceability of supply chains is sought to ensure that potential risks can be identified and effective measures taken.

Collaboration with stakeholders - SCHWEIZER is actively engaged in collaborating with government agencies, non-governmental organisations and other stakeholders to share best practices and work together on solutions.

We expect our suppliers to source their minerals exclusively from conflict-free smelters and to check their supply chain for the presence of conflict minerals. In order to obtain the necessary due diligence information, we send our suppliers the "Conflict Minerals Reporting Template" (CMRT) for documentation purposes.

We our suppliers to complete and sign this form and return it to us to enable a comprehensive audit of the supply chain.

Corporate social responsibility

SCHWEIZER attaches great importance to ensuring that not only its own company, but also all suppliers and partners comply with the highest social and ethical standards. We therefore ensure that they adhere to the same obligations that we have defined for our own employees in the S1 standard.

Supplier guideline

SCHWEIZER is committed to complying with legal requirements, current industry standards and environmental protection. This commitment is also expected from our suppliers and also applies to the sustainable use of energy. In addition, the supplier undertakes to comply with all relevant legal and regulatory requirements. We expect our suppliers to conduct their business in accordance with ethical principles based on international human rights regulations, particularly with regard to the abolition of child labour. These requirements must be passed on to the entire supply chain, including the obligation to pass these requirements on to the entire supply chain as well. This applies to all special characteristics specified by SCHWEIZER.

Supply Chain Due Diligence Act (LkSG)

In 2024, we further developed measures to implement the requirements of the German Supply Chain Sustainability Act (LkSG), although SCHWEIZER does not fall within the scope of the law and is only indirectly affected by it. We also check our

suppliers on the topics of environmental protection, human rights and corruption, as described in the guidelines above. In addition to the country risks, SCHWEIZER assesses the level of certification and the corresponding audits. In addition to the country risk, a product and product group risk assessment is carried out and, in the event of high risks, specific measures are then implemented in supplier development.

Respect for human rights and combating corruption and bribery

Respect for human rights is a central component of our corporate governance and is set out in detail in our Code of Ethics and CSR Policy and our Conflict Minerals Policy, which communicated to every employee and supplier. We also attach great importance to combating corruption. We reject all forms of corruption and therefore expect our employees and authorised representatives to report all suspected cases of corruption to the Executive Board. We have therefore set out all the details on avoiding corruption in a separate guideline on avoiding corruption and made it available to our employees. In the event of suspected violations of our guidelines, these can and should be reported via our whistleblower system.

Early information from employees, former colleagues, customers and third parties outside the company can help to implement a preventive strategy to avert material and immaterial damage as well as legal consequences and reputational damage to the company and its employees. The whistleblower system opens up a confidential communication channel in which employees and other persons have the to report legal violations or breaches of internal guidelines in connection with the company electronically to a central processor. Particular care is taken to ensure that the personal rights, informal right to self-determination and data protection of those involved are respected.

In 2024, no information within the meaning of the material scope of the Whistleblower Protection Act was received.

4. GOVERNANCE

4.1 CORPORATE GOVERNANCE

Identified impacts, opportunities and risks

In an increasingly dynamic and interconnected world, the importance of protecting against data misuse and the serious consequences that can result has never been greater. In a global environment characterised by changing societal expectations, environmental challenges and rapid technological advances, our global industry-leading customers rely on SCHWEIZER's innovative strength, decades of experience and the outstanding product and service quality of our PCB and embedding solutions. In addition, PCB technologies from SCHWEIZER are increasingly being used in our customers' energy-saving and environmentally friendly applications. For SCHWEIZER as a listed company, the implementation of effective opportunity and risk management not only means fulfilling legal requirements but is also an essential part of corporate governance in order to build and maintain the trust of our investors, capital providers, employees, customers and public institutions.

Based on our double materiality analysis, we have identified three governance-related sustainability aspects. Detailed information on the preparation of the materiality analysis is provided in chapter 1 "General information", section 1.5 "Material sustainability aspects and their interaction with strategy and business model".

Data protection and cyber security

SCHWEIZER'S business and production processes, as well as internal and external communication, are highly dependent on IT systems and the associated IT infrastructure. These environments are potentially exposed to various risks. In particular, the generally observable dynamics in the area of cyber attacks and crime

are significant risks. These include attempts by unauthorised third parties to gain access to confidential information or data, take control of systems and make data public or render IT systems unusable on a large scale, including data backups, e.g. through encryption. Disruptions or failures triggered by this, particularly in interlinked linear production processes, can result in long-lasting interruptions to operations and restart times.

External dependencies on the market and market conditions

The majority of SCHWEIZER'S business activities are with customers in the OEM supplier business. This results in a high dependency on the economic cycles of the automotive market and the associated financial situation of major customers. The weak demand for motor vehicles from end consumers in Europe and the USA is currently being exacerbated by the sluggish transition from vehicles with combustion engines to electric vehicles by European car manufacturers, who are reacting by cutting costs in their supply chains. As a result, Asian printed circuit board manufacturers are increasingly pushing into the European market and thus increasing price pressure.

In order to fulfil the high demands of Tier 1 customers in the automotive sector in terms of quality, timely availability with highly volatile delivery call-offs and country-specific, competitive price points, SCHWEIZER pursues a strategy of differentiated market supply by means of in-house production and external sourcing of printed circuit boards. A key success factor here is the existing cooperation with our anchor investor, the WUS Group, with which a considerable purchasing volume of PCBs and synergies in the technical development of products and in purchasing advantages with sub-suppliers are realised. If this strategic source of supply for printed circuit boards in various application technologies, and in particular for embedding printed circuit boards, were to be cancelled in the short and in medium term, customer receivables from delivery

obligations could not be fulfilled or only partially fulfilled. In addition to the loss of revenue, this would lead to severe contractual penalties and reputational damage.

Collaboration with other cooperation partners in Asia also gives SCHWEIZER the opportunity to fulfil price requirements and possibly low order volumes in the highly competitive market of industrial customers in the short term and thus expand its own market share.

The political and corporate pressure to reduce GHG emissions is increasing and companies, particularly in the automotive industry, are under great pressure to innovate and develop more efficient vehicles. The pressure to innovate is also increasing for economic reasons, as the price of CO₂ will continue to rise. In addition, German car manufacturers in particular are threatened with high fines if the CO₂-limits are exceeded. Thanks to SCHWEIZER'S innovations, CO₂-emissions can be saved through the use of efficiency-enhancing printed circuit boards. Due to the ongoing transformation of the automotive industry towards more hybrid and electric vehicles, the demand for PCBs is increasing as more electronics are required per vehicle.

In the medium and long term, SCHWEIZER therefore sees a positive market development in electromobility worldwide and thus the possibility of a significant increase in sales from the demand for PCBs in the embedding and sensor technology sector.

Risk management

SCHWEIZER defines risks as possible negative deviations (dangers, risks in the narrower sense). This means that risks from unfavourable and uncertain developments have an impact on the planned financial targets. SCHWEIZER'S risk management system focusses on measures against negative deviations. Deviations that could jeopardise

the achievement of objectives. For information on the methodology and organisation of the risk management system, please refer to the disclosures in the management report, section "Opportunity and risk report" and the disclosures in the ESRS section "General information", chapter GOV-5-"Risk management and internal controls for sustainability reporting".

The realisation of risks can deviate from the current assessment and evaluation of a risk situation for various reasons. Firstly, the risk situation is subject to external changes, such as sudden market slumps, legal changes or unforeseen technological developments that are difficult to predict. Secondly, internal weaknesses such as inadequate data quality, poor communication or undetected operational problems can lead to risks being misjudged. Thirdly, subjective assessments and assumptions in the evaluation process can lead to distortions, especially if they are not based on well-founded analyses. The dynamics of interactions between different risks, for example between financial and operational risks, can also be underestimated and lead to deviations. Finally, human factors such as wrong decisions or an inadequate risk culture in the organisation play a role, which can impair the early identification or effective management of risks. These factors make it essential to constantly review and adapt the risk management system.

Further topic-specific information on the role of the administrative, management and supervisory bodies can be found in chapter 1 "General information", section 1.2 "Sustainability and governance".

4.2 OUR CONCEPTS AND PROCESSES [MDR-PI]

For SCHWEIZER as a listed company, maintaining high standards in the areas of data security and risk management is essential, not only to fulfil regulatory requirements, but also to gain the trust of our stakeholders, including investors, employees, customers and the communities in which we operate.

We have established various concepts and processes to counter the material potential effects and risks described above.

Data protection and cyber security

SCHWEIZER enables its employees to work remotely and ensures that all relevant data protection regulations are complied with. To ensure information security, the employer, works council and employees work closely together and jointly implement the measures defined in a guideline.

A central aspect of these security measures is safeguarding information security. This relates in particular to compliance with data protection regulations when employees are working outside the company premises. A process has been implemented which, among other things, requires employees to give their consent to the employer's right of access to their home in order to ensure the mandatory monitoring under data protection law. The data protection officer, the legal counsel of Schweizer Electronic AG and the divisional heads of Human Resources and Information Technology are involved in this monitoring process.

Another key component of the security strategy is to sensitise employees to the handling of personal data in line with the European General Data Protection Regulation

(GDPR). Every employee is trained in the relevant data protection regulations and individually undertakes to comply with the statutory provisions. Checks are carried out by means of a regular completeness check of the personnel files. The data protection officer, the legal counsel of Schweizer Electronic AG, the works council and the divisional heads of Human Resources and Information Technology are also involved in this process.

SCHWEIZER also has a comprehensive Information Security Management System (ISMS) that defines operational processes and guidelines in information management – including regulations for mobile working. In order to continuously improve IT security, phishing tests are carried out several times a year and needs-based training is offered to employees. All systems and applications are subject to two-factor authentication and technical monitoring, with alarms forwarded directly to the Operations Centre, which is staffed around the clock. IT risks are regularly identified, assessed and minimised through suitable measures. In addition, regular audits are carried out to review and continuously develop established processes and procedures in the context of IT and information security. The Executive Board, customers, the Works Council and the Information Technology division management are involved in this monitoring process.

SCHWEIZER'S IT security is based on a comprehensive management concept that takes into account both technical and organisational measures. Internal data security is ensured by password protection, access rights and encryption, while external threats are warded off by a multi-level firewall system. High availability and data security are guaranteed by redundant server infrastructures, uninterruptible power supplies and automated backup strategies. Several virus scanners provide additional protection against malware, and external access is strictly controlled. Organisational measures

such as a security policy lay down clear guidelines for authentication, data usage and emergency responses in order to minimise security risks. The Executive Board, the General Counsel of Schweizer Electronic AG and the Head of Information Technology are responsible for the overall coordination of information security.

Through these comprehensive measures, SCHWEIZER ensures that both technical and organisational security requirements are met and continuously developed. This not only enables a secure working environment for employees but also guarantees the protection of sensitive data and company information.

External dependencies on the market and market conditions

SCHWEIZER is responding to the tougher competitive conditions, particularly from Asian competitors, with a strategic realignment. The management has opted for an expanded customised product mix consisting of PCBs manufactured and traded in-house. SCHWEIZER is thus positioning itself both as a producer for technologically sophisticated and innovative applications and as a distributor of printed circuit boards in price-sensitive markets.

The aim of this strategy is to achieve sustainable and profitable growth and to spread the cluster risks that can arise from market fluctuations and customer dependencies. In addition, a broad product portfolio is to be created that fulfils the different price and quality requirements in international markets. Another focus is on customised engineering in power electronics in order to support automotive customers in particular in their transformation due to political and market-specific requirements. The strategically growing partnerships with PCB suppliers in Asia will be further expanded while safeguarding SCHWEIZER'S interests.

In order to monitor the implementation of this strategy, SCHWEIZER relies on a

comprehensive reporting system. Daily and monthly reporting, the management information system and steering team meetings ensure that market and company developments are continuously analysed. In addition, regular coordination takes place with the trading partners from the WUS Group, China/ Taiwan (WUS), and the WUS subsidiary Schweizer Electronic-WUS in China (SEC-WUS). This relates in particular to thematic coordination with regard to high-frequency and embedded PCBs, contract negotiations, customer requirements and potential supply chain disruptions. In addition, alternative supply capabilities are being developed by other partners in Asia for all application technologies.

Comprehensive stakeholder involvement ensures the sustainable implementation of the in-house production and trading strategy. The Executive Board, Supervisory Board, banks, insurance companies, investors and the management of trading partners are closely involved in the processes. External market changes, regulatory risks and the need to adapt to developments in the automotive sector, the financial strength of major customers and the availability of components provide important framework conditions for this orientation.

The stable partnership with WUS and SEC-WUS, which is based on synergies and co-operation benefits, is a particular priority. As part of the cooperation, attention is paid to safeguarding common interests. Operational management and risk monitoring are carried out using guided analytics systems, monthly financial reporting, minutes of steering team meetings and statistical analyses from the ERP system. Written agreements, customer delivery schedules and associated framework agreements are also key elements of strategic management.

Through these comprehensive measures, SCHWEIZER ensures that the company can react flexibly to market changes and at the same time sustainably strengthen its competitive ability and advantages.

Risk management

SCHWEIZER pursues a comprehensive risk management system that integrates all organisational regulations and activities for the systematic implementation of the risk management process. The aim is to recognise risks at an early stage, initiate preventive measures and secure the long-term existence of the company. At the same time, the system enables strategic room for manoeuvre and helps to reduce risk and capital costs through risk-adequate equity capitalisation.

SCHWEIZER's risk management system focuses on the structured, Group-wide recording and assessment of risks. Uniform methods and instruments are used to systematically analyse risks and derive mitigation measures. In particular, the aim is to identify so-called top risks that could jeopardise the company's existence or be business-critical. The results are incorporated into strategic and operational planning and enable the targeted management of corporate risks.

The Corporate Risk Manager submits an annual report to the Executive Board to monitor the risk landscape. In addition, a detailed risk report is submitted to the Audit Committee of the Supervisory Board. External auditors review the effectiveness of risk management as part of quality standard certificates and customer audits. These measures ensure that risks are continuously assessed and adapted to new challenges.

A particular focus is on the proactive management of deviations between the original risk assessment and the actual occurrence of risks and losses. The Executive Board bears ultimate responsibility for risk management and ensures that appropriate measures are implemented effectively.

The risk management concept is provided internally via the corporate manual, which is available to the respective risk owners. This ensures transparent and uniform management within the organisation. In addition, SCHWEIZER's early risk detection system is fully orientated towards the requirements of the IDW PS 340 standard as amended and therefore meets the highest regulatory requirements.

Further details on the risk management system can be found in the management report in section "Opportunity and risk report" and in the ESRS "General information" section, chapter GOV-5 "Risk management and internal controls for sustainability reporting". Through this systematic approach, we want to ensure that risks are actively managed, and opportunities are optimally utilised in order to strengthen our competitiveness in the long term.

Our measures [MDR-A]

Extensive measures have been implemented or are currently being implemented in order to detect negative effects and risks, mitigate them and make the necessary corrections. The following table provides an overview of the completed, current and future planned measures in connection with corporate governance:

Measure	Reference to the target	Assignment to the respective IRO	Description	Status	Time frame
Data protection and cyber security					
Cyber security	100 % until 2025	RO.17 Cyber attacks	Cyber insurance policy concluded with new insurance partner until the end of 2025	realised	2024
Barrier for computer viruses and malware	100 % until 2025	RO.17 Cyber attacks	Network separation of administration and production	realised	2024
State-of-the-art endpoint security	100 % until 2025	I.42, RO.17 Data breaches, cyber attacks	Secure development and sales workspaces to protect customer data	realised	2024
			Global perimeter firewall for global protection of all end devices (no open Internet access incl. home office workplaces)	in progress	2025
Sensitisation of employees and training	100 % until 2025	RO.17 Cyber attacks	Simulated phishing campaigns and IT security awareness training, annual self-assessment of all companies	realised	2024
Regular patch management in the IT system	100 % until 2025	RO.17 Cyber attacks	Standardisation of the client IT architecture	realised	2024
Two-account separation with regular tasks and administrative duties	100 % until 2025	I.42, RO.17 Data breaches, cyber attacks	Assignment of registration rights to key persons, reduction of domain account authorisations	realised	2024
			Installation of an incident reporting system	realised	2024

Measure	Reference to the target	Assignment to the respective IRO	Description	Status	Time frame
Risk management					
Effectiveness of the risk management system	No target defined	RO.8 Deviating in occurrence of risks and losses to risk assessment	was commissioned in 2024 to conduct an audit of the effectiveness of the risk management system. The result confirmed the effectiveness. It is planned to repeat the audit every three years.	realised	2024
Consideration of risk interdependencies	No target defined	RO.8 Deviating in occurrence of risks and losses to risk assessment	The amplifying effect of inter-related risks is taken into account in the stochastic analysis of the overall risk position (risk aggregation) and thus the calculated capacity utilisation (mobilisable liquidity and available equity).	realised	2024
Establishment of a risk culture	No target defined	RO.8 Deviating in occurrence of risks and losses to risk assessment	Training courses were organised for the Executive and all management levels in all Group. The focus here was also on establishing an ad hoc risk reporting system across the hierarchy and corresponding mandatory reports.	realised	2024

Measures relating to the risks "RO.1 - Adaptation to market changes as a result of developments in the automotive sector, the prospects and financial strength of major customers and the availability of components", "RO.5 - Stable partnership with WUS / SEC-WUS with regard to synergy and cooperation benefits" and "RO.7 - Safeguarding common interests in the context of cooperation with WUS / SEC-WUS" are not reported for strategic reasons.

4.3 OUR OBJECTIVES [MDR-T]

We pursue ambitious goals in the area of data protection and cyber security in order to ensure the highest standards in information security. By 2025, SCHWEIZER aims to fully implement all measures necessary to ensure the protection of sensitive data and IT infrastructures. This absolute goal extends to all locations and company divisions and emphasises SCHWEIZER's holistic approach to ensuring a secure digital environment.

The objective of data protection and cyber security is derived from the progress of the measures to date and the remaining measures to be implemented. Based on experience with implementation to date, the remaining time for rolling out the measures still in progress can be estimated.

For the aspects "External dependencies on the market and market conditions" and "No targets were derived for "Risk management". The implementation of risk measures is reviewed as part of the risk analysis. For further information, please refer to the management report in the "Opportunity and risk report" section. The effectiveness of SCHWEIZER's risk management system is audited every two years by an external auditor.



CONSOLI- DATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

	Note	01/01/ - 31/12/2024	01/01/ - 31/12/2023
		TEUR	TEUR
Sales revenue	3.1	144,547	139,439
Cost of sales Cost of sales of the services rendered to generate the sales revenue		-134,804	-121,876 ^{*)}
Gross profit		9,743	17,563 ^{*)}
Distribution costs		-5,181	-5,697
Administrative costs		-12,340	-15,028
Other operating income	3.2	4,011	48,172
Other operating expenses	3.3	-2,481	-2,081
Operating result		-6,249	42,929 ^{*)}
Financial income	3.4	7	22
Financial expenses	3.5	-2,315	-3,732
Financial result		-2,308	-3,710
Result from investments accounted for using the equity method	3.6	-1,338	-3,592
Earnings before taxes on income and earnings		-9,894	35,627 ^{*)}
Taxes on income and earnings	3.9	847	-743
Consolidated result		-9,047	34,884 ^{*)}
Of which attributable to:			
Shareholders of the parent company		-9,047	34,884 ^{*)}
Earnings per share			
Undiluted (= diluted) number of shares (in units)		3,770,713	3,770,713
Undiluted, based on the profit attributable to the holders of ordinary shares in the parent company (in EUR)	3.10	-2.40	9.25 ^{*)}
Diluted, based on the result attributable to the holders of ordinary shares in the parent company (in EUR)	3.10	-2.40	9.25 ^{*)}

^{*)} Correction in accordance with IAS 8, see note 6.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01/01/ - 31/12/2024 TEUR	01/01/ - 31/12/2023 TEUR
Consolidated result		-9,047	34,884 ^{*)}
Other income			
Other income to be reclassified to profit or loss in subsequent periods (after taxes):		229	-1,370
Currency translation of foreign operations	4.9	229	-1,370
Other income not to be reclassified to profit or loss in subsequent periods (after taxes):		1,087	-1,393
Gains/(losses) on the revaluation of defined benefit pension plans	4.13	1,534	-1,956
Related tax	3.9	-447	563
Other income after taxes		1,316	-2,763
Total income after taxes		-7,732	32,122 ^{*)}

^{*)} Correction in accordance with IAS 8, see note 6.4

CONSOLIDATED BALANCE SHEET

	Note	31/12/2024 TEUR	31/12/2023 TEUR		Note	31/12/2024 TEUR	31/12/2023 TEUR	
Assets					Equity and Liabilities			
Non-current assets		45,972	51,824 ^{*)}		4.9	21,569	29,321 ^{*)}	
Tangible assets	4.1	32,030	35,930 ^{*)}	Subscribed capital	4.9	9,664	9,664	
Intangible assets	4.1	531	608 ^{*)}	Own shares	4.9	-24	-24	
Financial assets recognised using the equity method	4.3	8,727	10,065	Capital reserve	4.9	21,727	21,727	
Other participating interests		12	12	Profit reserves	4.9	-9,799	-2,045 ^{*)}	
Other financial assets	4.4	5	5	of which equity attributable to shareholders of the parent company	4.9	21,569	29,321 ^{*)}	
Other assets	4.4	899	550					
Deferred tax assets	3.9	0	880	Non-current liabilities		39,162	46,758	
Rights of use in accordance with IFRS 16	4.2	3,769	3,775 ^{*)}	Financial liabilities	4.11	19,150	21,700	
				Other financial liabilities	4.12	2,248	2,575	
Current assets		56,463	57,823	Provision for defined benefit pension plans	4.13	14,633	16,481	
Inventories	4.5	11,405	10,975	Other liabilities	4.14	2,256	2,913	
Trade receivables	4.6	23,182	25,766	Other provisions	4.15	184	1,070	
Contract assets	4.7	10,973	10,773	Deferred tax liabilities	3.9	691	2,019	
Tax receivables	3.9	4	2					
Other financial assets	4.4	1,175	1,146	Current liabilities		41,705	33,568	
Other assets	4.4	1,567	1,476	Financial liabilities	4.11	2,550	2,550	
Cash and cash equivalents	4.8	8,157	7,685	Other financial liabilities	4.12	1,704	1,348	
Total assets		102,435	109,647 ^{*)}	Provision for defined benefit pension plans	4.13	1,012	993	
				Trade payables	4.14	28,164	19,179	
				Other liabilities	4.14	2,806	2,687	
				Liabilities from taxes	3.9	1,296	1,789	
				Other provisions	4.15	4,173	5,022	
				Total liabilities		80,867	80,326	
				Total equity and liabilities		102,435	109,647 ^{*)}	

^{*)} Correction in accordance with IAS 8, see note 6.4

CONSOLIDATED CASH FLOW STATEMENT

	Note	01/01/ – 31/12/2024	01/01/ – 31/12/2023	Note	01/01/ – 31/12/2024	01/01/ – 31/12/2023
		TEUR	TEUR		TEUR	TEUR
Operating activity						
Profit before tax		-9,894	35,627 *)			
Adjustments to reconcile earnings before taxes to net cash flows:						
Financial income	3.4	-7	-17			
Financial expenses	3.5	2,315	3,732			
Result of companies accounted for using the equity method	3.6	1,338	3,592			
Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets in accordance with IFRS 16	4.1	5,978	4,514 *)			
Changes due to changes in the scope of consolidation		0	-44,665			
Other non-cash income/expenses		-132	-76			
Gains (-)/losses (+) from the disposal of property, plant and equipment and other non-current assets		-5	-6			
Changes in provisions for defined benefit pension plans (excluding changes recognised directly in equity)	4.13	-295	3,653			
Change in other provisions	4.15	-1,735	1,299			
Government grants received	4.17	0	-35			
Change in trade receivables, contract assets, other assets and other financial assets	4.4/ 4.6/ 4.7	1,915	-11,893			
Change in inventories	4.5	-430	-1,405			
Change in trade payables, other liabilities and other financial liabilities	4.12/ 4.14	8,477	15,365			
Interest received	3.4	7	-5			
Paid / refunded taxes on income and revenue	3.9	-538	220			
Cash flows from operating activities		6,994	9,901			
Investment activity						
Proceeds from the sale of property, plant and equipment	4.1	850	0			
Payments for the acquisition of property, plant and equipment and intangible assets		-1,348	-930			
Proceeds from the disposal of financial assets		0	4,363			
Cash flows from investing activities		-498	3,433			
Financing activities						
Payments from the repayment of loans	4.11	-2,550	-4,994			
Payments for the repayment of lease liabilities	4.2	-1,552	-1,429			
Interest paid	3.5	-1,766	-3,035			
Cash flows from financing activities		-5,867	-9,458			
Net change in cash and cash equivalents		629	3,876			
Exchange rate-related changes in cash and cash equivalents		-157	105			
Cash and cash equivalents as at 1 January		7,685	3,705			
Cash and cash equivalents as at the reporting date		8,157	7,685			

*) Correction in accordance with IAS 8, see note 6.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousands	Note	Attributable to the owners of the parent company				Included in profit reserves			Equity attributable to shareholders of the parent company	Shares of other minority interests	Equity
		Subscribed capital	Own Shares	Capital reserve	Profit reserve	Gains/(losses) from the remeasurement of defined benefit pension plans	Reserve from changes in fair value	Currency translation difference			
As at 01 January 2023 as previously reported		9,664	-24	21,779	-37,970	-1,246	-274	1,839	-6,551	-2,240	-8,791
Changes due to error corrections					1,530				1,530		1,530
Adjusted status as at 1 January 2023	4.9	9,664	-24	21,779	-36,440	-1,246	-274	1,839	-5,022	-2,240	-7,262
Consolidated result ¹⁾					34,884				34,884		34,884
Other result					-2,763	-1,393		-1,119	-2,763		-2,763
Overall result¹⁾					32,112	-1,393	0	-1,119	32,122	0	32,122
Changes in non-controlling interests					2,240				2,240	2,240	4,480
Other changes					-52	-1	274		-19		-19
Adjusted status as at 31 December 2023¹⁾		9,664	-24	21,727	-2,045	-2,639	0	720	29,321	0	29,321
As at 1 January 2024¹⁾		9,664	-24	21,727	-2,045	-2,639	0	720	29,321	0	29,321
Consolidated result					-9,047				-9,047		-9,047
Other result					1,316	1,087		229	1,316		1,316
Overall result					-7,732	1,087	0	229	-7,732	0	-7,732
Other changes					-21				-21		-21
As at 31 December 2024		9,664	-24	21,727	-9,799	-1,552	0	950	21,569	0	21,569

¹⁾ Correction in accordance with IAS 8, see note 6.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS

The SCHWEIZER Group, consisting of Schweizer Electronic Aktiengesellschaft and its subsidiaries, is a global technology group specialising in the manufacture of high-quality printed circuit boards and innovative solutions for automotive, industrial and aerospace electronics. The modern PCB production is complemented by the associated company Schweizer Electronic (Jiangsu) Co, Ltd, China, which is also relevant for the trading business as a production partner. Based on recognised technological and consulting expertise, SCHWEIZER products and solutions address key challenges in the field of power electronics, embedding technology and cost reduction and are characterised by energy and environmentally friendly properties.

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

The consolidated financial statements of the SCHWEIZER Group for the financial year ending 31 December 2024 were prepared by the Executive Board on 16 April 2025 and approved for publication.

The consolidated financial statements have been prepared in accordance with Section 315e of the German Commercial Code (HGB) in compliance with the International Financial Reporting Standards (IFRS) and the relevant interpretations of the International Accounting Standards Board (IASB), as applicable in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union. The supplementary provisions of Section 315e of the German Commercial Code (HGB) were also observed.

The consolidated financial statements are prepared in euros, the reporting currency and functional currency of Schweizer Electronic AG. Unless otherwise stated, all figures are rounded up or down to the nearest thousand (EUR thousand) in accordance with commercial rounding, which may result in minor discrepancies when added up.

The consolidated financial statements are generally prepared using the historical cost principle. This does not apply to derivative financial instruments and certain debt and equity instruments, which are recognised at fair value. The income statement is prepared using the cost-of-sales method. Various items in the consolidated balance sheet and the consolidated income statement have been summarised for a clearer presentation and explained accordingly in the notes. The consolidated cash flow statement is prepared using the indirect method for cash flows from operating activities and the direct method for cash flows from investing activities and financing activities.

These consolidated financial statements have been prepared on a going concern basis. For further information on this topic, please refer to the "Opportunities and risk report" section of the Group management report and the "Assumptions and estimates" section for information on material uncertainties in connection with the company's activities.

ACCOUNTING PRINCIPLES APPLIED FOR THE FIRST TIME

The following pronouncements of the International Accounting Standards Board (IASB) relevant to the SCHWEIZER Group are mandatory for the 2024 financial year:

Standards/interpretations		Effects on the consolidated financial statements
IFRS 7	Amendment to IFRS 7 Financial Instruments: Disclosures – Supplier Financing Arrangements	No significant effects
IAS 1	Amendment to IAS 1 Presentation of Financial Statements – Classification of liabilities as current or non-current; non-current liabilities with a contractual agreement	No significant effects
IFRS 16	Amendment to IFRS 16 Leases – Lease liability for sale and leaseback transactions	No use cases

The first-time application of these pronouncements had no material impact on the consolidated financial statements of the SCHWEIZER Group.

ACCOUNTING PRINCIPLES PUBLISHED BUT NOT YET APPLIED

The IASB pronouncements listed below have already been published, although their application is not yet mandatory and some of them still require endorsement by the EU. The SCHWEIZER Group will not voluntarily apply these early.

No material effects are currently expected from the first-time application.

Standards/interpretations		Obligation to use	Adoption into EU law	Expected Effects on the consolidated financial statements
IFRS 9 IFRS 7	Amendments to IFRS 9 and IFRS 7 on the classification and measurement of financial instruments	1 January 2026	no	No significant effects
IAS 21	Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025	Yes	No significant effects
Annual Improvements to IFRS	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	no	No significant effects
IFRS 18	Presentation and disclosures in the financial statements	1 January 2027	no	The first-time application of IFRS 18 is expected to have a significant impact on the presentation of the financial statements, the specific extent of which is currently still being analysed.
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027	no	No significant effects

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS

All companies that are controlled by Schweizer Electronic AG are included in the scope of consolidation. Control is deemed to exist if Schweizer Electronic AG has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the investee's returns.

The consolidated financial statements are based on the annual financial statements of Schweizer Electronic AG and its subsidiaries. All financial statements are prepared as at 31 December 2024. The annual financial statements of the individual companies included in the consolidated financial statements have been prepared using uniform accounting policies.

Furthermore, associated companies are recognised in the consolidated financial statements of Schweizer Electronic AG as financial assets accounted for using the equity method. Associated companies are companies in which the Group has a significant influence, but not control or joint control, over the financial and operating policies. Investments in associates are initially recognised at cost, including transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the total comprehensive income of the investments accounted for using the equity method until the date on which the significant influence or joint control ends.

Intragroup profits and losses, sales, expenses and income as well as all receivables and liabilities between the consolidated companies are eliminated. Deferred taxes are recognised on consolidation transactions that affect profit or loss – insofar as these are tax-effective transactions. Unrealised gains from transactions with companies accounted for using the equity method are derecognised against the investment in the amount of the Group's share in the associated company. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of impairment.

In addition to Schweizer Electronic AG as the parent company, the scope of consolidation is made up as follows:

	Number of fully consolidated companies The company		
	National	International	Total
31 December 2022	1	4	5
Included for the first time in the 2023 financial year	-	1	1
Eliminated in the 2023 financial year	-	1	1
31 December 2023	1	4	5
Included for the first time in the 2024 financial year	-	-	-
Eliminated in the 2024 financial year	-	-	-
31 December 2024	1	4	5

A complete overview of the participating interests of Schweizer Electronic AG is provided in the list of shareholdings in Section 7.5.

CURRENCY CONVERSION

The consolidated financial statements are prepared in euros, the functional currency of the parent company. The functional currency of foreign subsidiaries corresponds to the respective national currency, with the exception of Schweizer Electronic Singapore Pte. Ltd., for which the functional currency was changed to the US dollar in the financial year due to increasing volumes. For the preparation of the consolidated financial statements, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated at the exchange rate on the balance sheet date.

Income statement items are translated at the average exchange rate for the financial year. The resulting currency translation differences are recognised directly in equity. Foreign currency transactions are translated into the functional currency in the individual financial statements at the spot rate applicable at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are generally translated at the mean spot exchange rate on the reporting date. The effects are recognised in the income statement under other operating expenses or other operating income.

The following exchange rates for one euro were used for the translation of the main currencies in the Group:

Foreign currencies	Year-end rate		Average rate	
	31/12/2024	31/12/2023	2024	2023
USD (USA)	1.0389	1.1050	1.0821	1.0816
CNY (China)	7.5833	7.8509	7.7863	7.6591
SGD (Singapore)	1.4164	1.4591	1.4457	1.4523

ACCOUNTING AND VALUATION PRINCIPLES

Intangible assets

Acquired intangible assets are generally measured at cost less amortisation and any impairment losses. The straight-line amortisation of software is based on a useful life of three to eight years. There are no intangible assets with an indefinite useful life.

Internally generated intangible assets are capitalised at cost if it is probable that a future economic benefit is associated with the use of the asset and the costs can be reliably determined. If the capitalisation criteria are not met, the expenses are recognised immediately in profit or loss in the year in which they are incurred. At SCHWEIZER, the capitalised development costs relate to technology that will be used in future printed circuit boards and for which future customer orders already exist. The capitalised costs include all directly attributable direct costs and overheads. Since this financial year, the asset has been amortised on a straight-line basis over a useful life of six years. This is the case if it is located at its site and is in the condition necessary for it to be capable of operating in the manner intended by management.

The useful lives and amortisation methods are reviewed regularly.

Investments

Investments in associates are recognised using the equity method if significant influence is exercised. The carrying amount is calculated on an ongoing basis from the acquisition costs and the corresponding pro rata profit for the period, any dividends and other impairments. In addition, these investments are tested for impairment annually as part of an impairment test. The application regulations for financial instruments apply to other investments (see section on financial instruments).

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation and any impairment losses. In addition to direct costs, the production costs of internally generated property, plant and equipment also include an appropriate share of the necessary material and production overheads.

Expenses for repairs and maintenance are generally recognised as expenses. Costs for carrying out major maintenance are capitalised if the recognition criteria are met.

Land and assets under construction are not subject to scheduled depreciation. The following useful lives are used as the basis for depreciation of other property, plant and equipment:

- Buildings: ten to 50
- Technical equipment and machinery: five to 20
- Other equipment, operating and office equipment: three to 20 years

Scheduled amortisation is carried out using the straight-line method.

Leases

The SCHWEIZER Group assesses at contract inception whether a contract constitutes a lease in accordance with IFRS 16. This is the case if the contract gives the right to control the use of an identified asset for a certain period of time in return for payment of a consideration. If these conditions are met, the SCHWEIZER Group capitalises a right to use the leased asset and shows the obligation to make lease payments as a liability.

As a lessee, the SCHWEIZER Group recognises right-of-use assets at the commencement date (i.e. the date on which the underlying leased asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the recognised lease liability, the initial direct costs incurred and the lease payments made on or before provision, less any lease incentives received.

Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the expected useful life of the right-of-use asset. If ownership of the leased asset is transferred to the Group at the end of the lease term or if the cost includes the exercise of a purchase option, depreciation is calculated on the basis of the expected useful life of the leased asset.

At the commencement date, the Group recognises lease liabilities at the present value of the lease payments to be made over the term of the lease. The lease payments include fixed payments (including de facto fixed payments) less any lease incentives to be received. The lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it, and penalties for cancelling the lease if the term takes into account that the Group will exercise the cancellation option.

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement date if the interest rate on which the lease is based cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect the higher interest expense and

decreased to reflect the lease payments made. In addition, the carrying amount of the lease liability is remeasured in the event of changes to the lease, changes to the term of the lease, changes to the lease payments (e.g. changes to future lease payments as a result of a change in the index or interest rate used to determine these payments) or a change in the assessment of a purchase option for the underlying asset.

The Group's lease liabilities are recognised under other financial liabilities.

The SCHWEIZER Group utilises the practical expedient for leased assets of low value and short-term leases with a term of less than one year. With regard to motor vehicles, the SCHWEIZER Group makes use of the option to eliminate the separation of non-lease and lease components and recognises the corresponding lease components and related non-lease components as one lease component.

The SCHWEIZER Group determines the term of the lease based on the non-cancellable basic term of the lease and taking into account the periods resulting from an option to extend the lease, provided that it is reasonably certain that the company will exercise this option, or the periods resulting from an option to terminate the lease, provided that it is reasonably certain that the company will not exercise this option. This means that judgement is exercised when considering all relevant factors.

After the provision date, the SCHWEIZER Group will redetermine the term of the lease if a significant event or change in circumstances occurs that is within its control and affects whether or not the SCHWEIZER Group will exercise the option to extend or terminate the lease (e.g. planned restructuring of the location or its size).

The interest rate on which the lease is based is generally not readily determinable, so that the incremental borrowing rate is regularly used to measure the lease liability. The incremental borrowing rate is the interest rate that the Group would have to pay if it were to borrow the funds it would need in a comparable economic environment for an asset with a value comparable to the right of use for a comparable term with comparable security. The SCHWEIZER Group determines the incremental borrowing rate on the basis of observable input factors (e.g. market interest rates), provided these are available.

As part of a sale and leaseback transaction, the SCHWEIZER Group first assesses whether the transfer of an asset should be recognised as a sale based on the criteria set out in IFRS 15. If the transfer of an asset does not meet the requirements for recognition as a sale set out in IFRS 15, the asset continues to be recognised and the proceeds received are recognised as a financial liability in accordance with IFRS 9.

Impairment of non-current assets

Non-current assets, including intangible assets and property, plant and equipment as well as right-of-use assets from leases, are tested at each reporting date to determine whether there are any indications of impairment. If such indications exist, an impairment test is carried out.

In order to test for impairment, assets are summarised in the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units (CGU).

The recoverable amount of the CGU is determined and then compared with its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

An impairment exists if and to the extent that the carrying amount exceeds the recoverable amount. In this case, the impairment loss is recognised immediately in profit or loss.

An impairment test was carried out for the cash-generating unit (CGU) Schweizer Electronic AG. There was no need for impairment.

If an impairment loss recognised in previous years no longer exists or no longer exists to the same extent due to changes in the underlying estimates, the impairment loss is reversed through profit or loss. The reversal is limited to the carrying amount that would have resulted without the impairment.

Financial instruments

Financial instruments are entered in the balance sheet when they are bought or sold at the settlement date, i.e. when an asset is delivered. Financial instruments are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue are included unless the financial instrument is recognised at fair value through profit or loss. Subsequent measurement is based on the respective categorisation of the financial instruments.

IFRS 9 contains three categories for the classification and measurement of financial assets: measured at amortised cost, measured at fair value through other comprehensive income and measured at fair value through profit or loss. Classification is based on SCHWEIZER'S business model for managing financial assets (business model condition) and the structure of the contractual cash flows (cash flow condition).

Financial assets – measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are assets with contractual payments that consist exclusively of interest and principal payments on the outstanding nominal amount and that are held with the aim of both collecting the contractually agreed cash flows and selling them. There were no financial instruments measured at fair value in the financial year.

Financial assets – measured at amortised cost

This category includes trade receivables, cash and cash equivalents and miscellaneous other financial assets. They are measured at amortised cost, taking into account any impairments.

For trade receivables and contract assets, the simplified approach for determining impairments in accordance with IFRS 9 is applied regardless of their term. Accordingly, the expected loss over the entire term is always recognised as a risk provision. The expected loss rates are determined on the basis of customer-specific probabilities of default, taking into account external credit rating information (where available). Receivables are only derecognised if a receivable is deemed irrecoverable. Factors for uncollectibility include the conclusion of insolvency proceedings or the rejection of insolvency proceedings due to lack of assets. Impairment losses are recognised under other operating expenses.

The general impairment approach is applied to the other financial assets in this category. Accordingly, a risk provision for expected credit losses is calculated in two steps. For financial instruments whose credit risk has not increased significantly since initial recognition, a risk provision is recognised in the amount of the credit defaults expected to occur within the next twelve months. The determination of the change in credit risk since initial recognition is based on credit rating information. If the credit risk has increased significantly since initial recognition based on credit reports or information on impending payment defaults, a risk provision is recognised in the amount of the expected credit losses. Gains or losses on these financial assets are recognised in profit or loss when these assets are impaired, modified or derecognised.

Financial assets – measured at fair value through profit or loss

All financial assets that are not measured at amortised cost or at fair value through other comprehensive income must be measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its contractual terms are modified and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognised at fair value based on the adjusted terms. No adjustments or derecognitions were required in the 2024 financial year.

Derivative financial instruments

The SCHWEIZER Group uses derivative financial instruments on a case-by-case basis to counter currency risks and commodity price risks. The SCHWEIZER Group's derivative financial instruments are allocated to the measurement category "at fair value through profit or loss". Changes in fair value are recognised in the income statement. Hedge accounting does not exist in the SCHWEIZER Group.

Determination of fair values

When determining the fair value of an asset or liability, the Group uses observable market data wherever possible. Based on the input factors used in the valuation techniques, the fair values are categorised into different levels of the fair value hierarchy:

- Level 1: Use of quoted (unadjusted) prices for identical assets or liabilities in active markets that are accessible on the measurement date.
- Level 2: Determination of fair value using valuation techniques based on observable inputs for similar assets and liabilities in active markets or for identical assets and liabilities in non-active markets.
- Level 3: Measurement of assets and liabilities using valuation methods based on developed, unobservable input factors, as no sufficient observable market data is available to determine the fair value.

If the input factors used to determine the fair value of an asset or liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is allocated in its entirety to the level of the fair value hierarchy that corresponds to the lowest input factor that is significant to the measurement as a whole. The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Inventories

Inventories are recognised at the lower of acquisition or production cost and net realisable value. Raw materials, consumables and supplies as well as trading products are measured using the average cost method. The production costs of work in progress and finished goods are determined by allocating their individual production costs. In addition to directly attributable costs, production costs also include appropriate portions of attributable overheads, which also include depreciation.

Contract assets

The contract assets exist due to the period-related revenue recognition of customer-specific products that have no alternative use and for which there is an enforceable right to payment in the amount of the costs already incurred plus an appropriate profit margin. Contract assets are reclassified to trade receivables as soon as there is an unconditional right to receive the consideration. This point in time corresponds to the time of invoicing to the customer.

The simplified approach is used for the impairment of contract assets, so that a risk provision is recognised in the amount of the expected losses over the entire term.

Cash and cash equivalents

Cash, demand deposits and all financial resources with an original term of up to three months that can be converted directly into a fixed amount of cash and are only subject to insignificant fluctuations in value are recognised as cash and cash equivalents.

Provision for defined benefit pension plans

The provision for defined benefit pension plans is calculated on the basis of actuarial reports using the projected unit credit method, taking future pension adjustments into account. The service cost is recognised in the functional costs and the net interest expense on the net defined benefit liability is recognised in the financial result. Remeasurements of the recognised net defined benefit liability are recognised in other comprehensive income.

Deferred taxes

Deferred taxes are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet, from consolidation transactions recognised in profit or loss – insofar as these are tax-effective transactions – and for existing tax loss carryforwards. The valuation is carried out taking into account the respective national tax rates of the taxable entities that are valid at the time of realisation and have already come into force on the balance sheet date or are highly likely to be applied.

Deferred tax assets are only recognised to the extent that it is probable that future taxable income will be available. Deferred tax assets and liabilities are netted if they relate to the same tax creditor and the maturities are congruent.

Other provisions

Other provisions take into account all recognisable risks and contingent liabilities to third parties that are based on current legal or constructive obligations as a result of past events and whose settlement is expected to result in an outflow of resources that can be reliably estimated. They are recognised at their most probable amount and discounted if the discounted amount is material. Rights of recourse are recognised separately under other assets.

Obligations from partial retirement schemes are classified as other long-term employee benefits in accordance with IAS 19 and recognised as provisions. The provisions are calculated on the basis of an actuarial report using the projected unit credit method applying the FIFO method (first in, first out), under which the portion earned from all top-ups is distributed in such a way that the top-ups to be paid out first are also fully funded first. The accrual period ends uniformly for all top-ups at the end of the working phase. The cash value is calculated as the fulfilment amount for the fully funded benefits. Potential provisions were recognised for the group of employees who have a legal entitlement to enter into a partial retirement agreement, assuming that the employees are likely to take up partial retirement. The fair value of the plan assets from the insolvency protection of the partial retirement obligations is deducted from the present value of the benefit obligations so that the net liability is recognised in the provisions.

Liabilities

Trade payables and other liabilities are recognised at the higher of nominal value or repayment amount. Non-current liabilities are discounted if the amount discounted is material.

Sales revenue

At SCHWEIZER, sales are realised when the respective performance obligation is fulfilled, i.e. when the power of disposal of the promised goods is transferred to the customer. The transfer of control takes place either at a point in time or over a period of time in accordance with the contractual conditions and claims.

Revenue from the sale of products and trading products is mainly recognised over time, as there is no alternative use for the products and there is a legal claim to payment for the service already rendered.

Revenue is calculated over time using the input method. Firstly, the manufacturing costs of materials for work in progress and finished goods are used to determine sales. In a second step, the level of the order backlog is checked in relation to the order date in the frozen zone. The frozen zone is the period during which the customer can no longer make any changes to the order and is obliged to take delivery of the products. In a further step, the percentage of completion, i.e. the percentage to which the materials are finished, is also analysed for unfinished products. The sales price at which the materials are sold is then examined, which ultimately results in revenue in accordance with IFRS 15 or leads to contract assets. The proportion of production costs attributable to this revenue is deducted from inventories accordingly and recognised in the income statement under cost of sales (see "Revenue", section 3.1). If the criteria of IFRS 15 are trading products is recognised as a contract asset, taking into account the calculated margin.

In all other cases, the transfer of control takes place at the time of delivery of the parts or when they are removed from the consignment warehouse.

The transaction price corresponds to the consideration that the SCHWEIZER Group expects to receive in exchange for the transfer of the promised goods and trading products to a customer. Revenue is recognised in the amount of the agreed price for the respective goods. In some cases, customers are granted bonuses, discounts, credit notes or rebates, which represent a variable consideration. These are recognised as a reduction in revenue on the basis of past experience or revenue generated. The cost of goods sold is recognised in the income statement in the same period as the sales revenue.

As warranty agreements in connection with the goods sold only exist with regard to the safeguarding of contractually agreed product specifications, these do not represent a performance obligation. These are recognised in accordance with IAS 37. In the SCHWEIZER Group, the period between the transfer of control of the promised goods and payment is no more than one year, so that SCHWEIZER applies the practical expedient under IFRS 15.63 and does not adjust the consideration for a financing component.

Payment terms for performance obligations arising from contracts with customers are usually between 30 and 90 days after invoicing. In most cases, invoices are issued at the time of delivery.

Grants from public authorities

Government grants are recognised at fair value if there is reasonable assurance that the grants will be received and the company will comply with the conditions attached to them. Grants for an asset are initially recognised as a liability in the balance sheet and are deducted from acquisition and production costs when the asset is ready for use. Grants related to income are in other operating income.

Recognition of other operating income and expenses

Other operating income is recognised at fair value at the time the legal claim arises. Operating expenses are recognised in profit or loss when the service is utilised or at the time they are incurred. Interest income and interest expenses are recognised on an accrual basis and other financial income is recognised when the legal claim arises.

Assumptions and estimates

Estimates and judgements played a significant role in the preparation of these consolidated financial statements. The management makes various assumptions and estimates that have an impact on the carrying amounts of recognised income, expenses, assets and liabilities as well as the related disclosures and the disclosure of contingent liabilities. All estimates and assumptions are made to the best of our knowledge and belief in order to present a true and fair view of the net assets, financial position and results of operations. The assumptions and estimates are reviewed on an ongoing basis. Nevertheless, future events may deviate from the estimates made and have a significant impact on the net assets, financial position and results of operations.

The assumptions and estimates made are of particular importance in the following areas:

• *Recognition and measurement of deferred tax assets*

The recognition of deferred tax assets from temporary differences and tax loss carryforwards, which are not offset by deferred tax liabilities from temporary differences, requires a significant assessment by management with regard to the planned taxable income (see also "Deferred taxes" and section 3.9).

• *Recognition and measurement of other assets*

The subsequent measurement of other assets, in particular upfront payments made to customers, is subject to assumptions and estimates. These are based on the fact that the fulfilment rate for 2024 was also used as an indicator for fulfilment over the remaining term of the respective agreement.

• *Determination of the useful life of fixed assets*

The estimate of the useful life of depreciable fixed assets is based on past experience (see also "Property, plant and equipment" and "Intangible assets" and section 4.1).

• *Measurement of the provision for defined benefit pension plans*

The expense from defined benefit plans and the present value of the pension obligation are determined on the basis of actuarial calculations. An actuarial valuation is carried out on the basis of various assumptions that may differ from actual developments in the future. These include the determination of discount rates, future wage and salary increases, the mortality rate and future pension increases. Due to the complexity of the measurement and its long-term nature, a defined benefit obligation reacts extremely sensitively to changes in these assumptions. All assumptions are reviewed at each reporting date (see "Provisions for defined benefit pension plans", section 4.13).

• *Impairment of shares in associated companies*

Shares in associates are tested for impairment on the balance sheet date in accordance with IAS 28 in conjunction with IAS 36. For this purpose, the recoverable amount is determined using the discounted cash flow method. The calculation of the recoverable amount is subject to assumptions and estimates, particularly with regard to future earnings trends, the capitalisation interest rate used and the long-term growth rate.

• *Recoverability of the non-financial assets of the cash-generating unit Schweizer Electronic AG*

In determining the recoverability of the non-financial assets, assumptions and estimates were used for which corresponding uncertainties could exist. In particular, the following assumptions and estimates should be mentioned:

- Weighted average cost of capital (WACC)
- Gross profit margins in the planning period
- Growth rates outside the forecast period

• *Going concern assumption*

These consolidated financial statements have been prepared on a going concern basis. The assessment of the parent company's ability to continue as a going concern is based on the current corporate planning prepared by the Executive Board. This includes significant assumptions and estimates regarding the development of sales and earnings.

A review of the available liquidity for the next 12 months in the assumed planning scenario does not indicate a shortfall in the financing requirements of Schweizer Electronic AG and the Group at any time and the Executive Board therefore assumes that the company will continue as a going concern.

In the event of deviations from the planned scenario compared to the assumed economic trend as a result of a sustained weakness in demand, significant shortfalls in sales could occur in the forecast period and thus have a negative impact on cash flow. This could lead to temporary liquidity shortfall and indicates that there is a material uncertainty that could cast significant doubt on the ability to continue as a going concern and that the SCHWEIZER Group may therefore not be in a position to realise its assets and settle its liabilities in the ordinary course of business.

In principle, such a scenario could be countered by means of suitable risk management measures for restructuring or capital procurement, for example by issuing new shares, convertible bonds or corporate bonds.

The material uncertainties associated with the global geopolitical situation were taken into account, where relevant, when making judgements and estimates and are presented in the respective sections of the notes. As in the previous year, there were no material adjustments to the carrying amounts of the recognised assets and liabilities in the 2024 financial year.

Segment information

The SCHWEIZER Group consists exclusively of the "Electronic" business segment. In this segment, the SCHWEIZER Group develops, produces and sells high-quality printed circuit boards for the automotive, solar, aviation and general industries.

Please refer to section 3.1 for information on sales by geographical region and information on the main customers

3. NOTES TO THE CONSOLIDATED INCOME STATEMENT

3.1 SALES REVENUE

Revenue from contracts with customers is broken down as follows:

Revenues 2024

in EUR million	HDI	Multilayer	Through-metallised Circuits	Not through-metallised Circuits	Other	Total
Germany	27.7	17.8	6.6	0.6	2.9	55.6
Europe (excluding Germany)	37.2	6.9	4.3	0.7	-	48.9
China	11.9	4.9	1.2	-	-	18.0
Asia (excluding China)	7.3	0.9	0.1	1.2	-	9.5
America	8.3	1.6	1.2	0.1	-	11.2
Other countries	-	0.1	0.3	-	0.9	1.3
	92.4	32.2	13.7	2.6	3.8	144.5

Revenues 2023

in EUR million	HDI	Multilayer	Through-metallised Circuits	Not through-metallised Circuits	Other	Total
Germany	35.7	18.8	11.3	0.5	1.7	68.0
Europe (excluding Germany)	20.8	9.3	2.8	0.8	-	33.7
China	10.9	3.1	0.7	-	-	14.7
Asia (excluding China)	10.3	1.0	0.2	1.2	0.6	13.3
America	6.9	1.2	-	0.1	-	8.2
Other countries	0.2	0.2	0.2	-	0.9	1.5
	84.8	33.6	15.2	2.6	3.2	139.4

The above information on sales revenue is broken down by the regions in which the customer is located.

The following table provides information on the balances of receivables and contract assets from contracts with customers:

Contract balances

	2024 TEUR	2023 TEUR
Receivables from goods and services	23,182	25,766
Contract assets	10,973	10,773

In 2024, sales with three customers totalled approx. 53 % of total sales (2023: approx. 41 %).

Sales with these three largest customers totalled EUR 41.3 million (2023: EUR 27.4 million), EUR 24.4 million (2023: EUR 16.5 million) and EUR 11.2 million (2023: EUR 13.9 million).

The total amount of the transaction price allocated to the unfulfilled period- and time-related performance obligations as at 31 December 2024 is EUR 6,457 thousand (2023: EUR 7,670 thousand). These performance obligations were fulfilled in the months of January and February 2025

3.2 OTHER OPERATING INCOME

Other operating income breaks down as follows:

	2024	2023
	TEUR	TEUR
Recycling proceeds from gold waste	876	1,080
Result from deconsolidation	0	44,665
Currency gains	2,159	1,619
Income from the reversal of provisions	312	510
Income from subsidiaries	179	35
Other income	485	263
Total	4,011	48,172

In the previous year, other operating income included income from the deconsolidation of the Chinese subsidiary Schweizer Electronic (Jiangsu) Co. Ltd. in the amount of EUR 44,665 thousand.

3.3 OTHER OPERATING EXPENSES

Other operating expenses are as follows:

	2024	2023
	TEUR	TEUR
Currency losses	2,073	1,672
Expenses from Valuation allowances on receivables	52	57
Allocation to provision for product risks	138	202
Other expenses	218	150
Total	2,481	2,081

3.4 FINANCIAL INCOME

Financial income is made up as follows:

	2024	2023
	TEUR	TEUR
Other interest and similar income	7	5
Miscellaneous	0	17
Total	7	22

Other financial income includes interest income from changes in provisions in the amount of EUR 0 thousand (2023: EUR 17 thousand).

3.5 FINANCIAL EXPENSES

Financial expenses break down as follows:

	2024	2023
	TEUR	TEUR
Interest expenses	1,697	3,019
Other interest and similar expenses	618	713
Total	2,315	3,732

EUR 1,260 thousand (2023: EUR 1,296 thousand) of the interest paid is attributable to the financial liabilities at the Schramberg site. In the previous year, interest expenses also included interest accrued up to 30 April for Schweizer Electronic (Jiangsu) Co., Ltd, which was sold on this date. They also include interest expenses for lease obligations in the amount of EUR 114 thousand (2023: EUR 177 thousand).

Other interest and similar expenses mainly consist of changes in provisions in the amount of EUR 549 thousand (2023: EUR 558 thousand).

3.6 RESULT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The result of the shares in Schweizer Electronic (Jiangsu) Co. Ltd. accounted for using the equity method is made up as follows:

	2024	2023
	TEUR	TEUR
Loss allocations	-2,113	-2,680
Off-balance sheet amortisation from identified hidden reserves	-1,369	-912
Dilution gain	2,144	0
Total	-1,338	-3,592

3.7 PERSONNEL EXPENSES

Personnel expenses break down as follows:

	2024	2023
	TEUR	TEUR
Wages and salaries	30,110	34,238
Social security costs	5,709	5,906
Pensions	844	684
Total	36,663	40,828

3.8 RESEARCH AND DEVELOPMENT EXPENSES

In the financial year, further development costs of EUR 25 thousand (2023: EUR 61 thousand) were capitalised as internally generated intangible assets. Research and development expenses recognised as expenses amounted to EUR 3.0 million (2023: EUR 3.1 million), of which EUR 2.6 million were personnel costs.

3.9 TAXES ON INCOME AND EARNINGS

This item includes domestic corporation tax (plus solidarity surcharge) and trade income tax as well as comparable income-related taxes abroad.

This item also includes deferred taxes that exist as a result of temporary differences between the amounts recognised in the tax balance sheet and the IFRS consolidated balance sheet or that have been recognised in connection with the carryforward of unused tax losses to the extent that it is probable that future taxable profit will be available.

Deferred taxes are calculated on the basis of the tax rates applicable in the individual countries:

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

	2024	2023
	TEUR	TEUR
Taxes for the current reporting period	248	598
Income taxes relating to other periods	-199	0
Deferred taxes	-895	145
of which deferred taxes from temporary differences EUR 539 thousand (2023: EUR 94 thousand)		
of which change due to the reversal of tax losses already recognised EUR 0 thousand (2023: EUR 51 thousand)		
Total taxes on income and earnings	-847	743

Deferred taxes on transactions recognised in equity via other comprehensive income result from defined benefit pension plans and had an equity-reducing effect of EUR 447 thousand in the financial year (2023: equity-increasing effect of EUR 563 thousand).

Reconciliation from expected to actual tax expense

The results of Schweizer Electronic AG in Germany are subject to corporation tax (plus solidarity surcharge) and trade tax. The results assessed abroad are taxed at the tax rates applicable in the respective country. The tax rate of 29.13 % (2023: 29.13 %) on which the expected tax expense is based takes into account the relevant corporate structure for taxation purposes.

Based on the consolidated profit for the year before income tax and the expected income tax, the reconciliation to the actual income tax expense is as follows:

	2024	2023
	TEUR	TEUR
Earnings before income taxes	-9,894	35,627^{*)}
Expected income tax expense (-) / income (+)	2,882	-10,378 ^{*)}
Different tax rates	64	-220
Tax-free income	43	12,586
Non-tax-deductible expenses	-1,104	-354
Taxes relating to other periods	194	0
Tax effect from other income taxes	-90	0
Effect of the adjustment of taxable income		
Losses carried forward from the previous year	0	-122
Effects from the utilisation of loss carryforwards for which no deferred tax assets were previously recognised	-176	0
Effects of not recognising deferred tax assets on loss carryforwards and consolidation measures	-1,622	-2,498
of which Schweizer Electronic AG	-1,517	-
of which Schweizer Electronic (Jiangsu) Co., Ltd.	0	-2,375
of which Schweizer Electronic Singapore Pte. Ltd.	-6	-
of which Schweizer Electronic Americas Inc.	-99	-85
of which Schweizer Trading (Suzhou) Co., Ltd.	0	-12
of which Schweizer Pte. Ltd	0	-26
Other	656	243 ^{*)}
Actual tax expense (-) / income (+)	847	-743
Effective income tax rate in %	8.56 %	2.09 % ^{*)}

^{*)} After correction in accordance with IAS 8, see section 6.4

The reconciled amount of other effects totalling EUR 656 thousand includes a dilution effect for the at-equity investment.

Receivables from taxes

The items only include income taxes; any other taxes are included in other liabilities or other receivables.

	2024	2023
	TEUR	TEUR
Corporate income tax refund	4	2
Trade tax refund	0	0
Total receivables Taxes on income and earnings	4	2
Long term	0	0
Short term	4	2

Tax liabilities and provisions

The items only include income taxes; any other taxes are included in other liabilities or other receivables.

	2024	2023
	TEUR	TEUR
Corporate income tax 2022	514	713
Corporate income tax 2023	0	299
Corporate income tax 2024	132	0
Trade tax 2022	650	650
Other tax provision	0	127
Total tax provisions and liabilities	1,296	1,789
Long term	0	0
Short term	1,296	1,789

Deferred taxes

Deferred taxes result from the following balance sheet items:

	Active Deferred taxes	Passive Deferred taxes	Active Deferred taxes	Passive Deferred taxes
	31/12/2024	31/12/2024	31/12/2023	31/12/2023
	TEUR	TEUR	TEUR	TEUR
Property, plant and equipment	0	4,183	35	4,960
Intangible assets	0	1,089	0	1,194
Rights of use	0	0	0	0
Inventories	1,497	11	1,692	9
Receivables and other assets	0	1,941	5	0
Contract assets	0	77	0	2,236
Provisions for pensions and similar obligations	2,814	0	3,839	0
Other provisions	0	9	189	33
Liabilities	873	0	838	5
Tax loss carryforwards	1,435	0	699	0
	6,619	7,310	7,297	8,437
Balancing	-6,619	-6,619	-7,297	-7,297
Recognition of deferred taxes	0	691	0	1,140

Deferred tax assets and deferred tax liabilities are offset against each other if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and these relate to income taxes levied by the same tax authority on the same taxable entity. A liability surplus of EUR 691 thousand was recognised.

The Group has loss carryforwards in Germany totalling EUR 9,417 thousand (corporation tax 2023: EUR 1,931 thousand after the 2016-2020 tax audit, which has now been finalised, including its development in subsequent years and loss carry-back after 2022) and EUR 10,367 thousand (trade tax 2023: EUR 2,292 thousand

after BP 2016-2020, which has now been finalised, including its development in subsequent years) and abroad via loss carryforwards of EUR 1,211 thousand (2023: EUR 919 thousand).

The loss carryforwards attributable to the domestic Schweizer Electronic AG can be carried forward indefinitely according to the current legal situation. The capitalised deferred taxes are offset by sufficient deferred tax liabilities so that it can be assumed that they are recoverable.

EUR 1,211 thousand of the loss carryforwards from foreign companies relate to Schweizer Electronic Americas Inc. which can be carried forward indefinitely. Deferred tax assets were not recognised on tax loss carryforwards at Schweizer Electronic Americas Inc. as it is not considered probable that they can be utilised.

At the time of preparation, there was no decision to distribute the previously undistributed profits of the subsidiaries.

As the SCHWEIZER Group's consolidated annual turnover has not exceeded the turnover threshold of EUR 750 million in any of the last four years, the regulations on global minimum taxation do not apply.

3.10 EARNINGS PER SHARE

When calculating basic earnings per share, the earnings attributable to the holders of ordinary shares in the parent company are divided by the weighted average number of ordinary shares in circulation during the year.

The following table contains the amounts on which the calculation of basic (=diluted) earnings per share is based:

	2024	2023
	TEUR	TEUR
Profit attributable to ordinary equity holders of the parent company	-9,047	34,884 ^{*)}
	2024	2023
Weighted average number of ordinary shares	3,770,713	3,770,713

Earnings per share, based on the earnings attributable to the holders of ordinary shares in the parent company, amount to EUR -2.40 for the financial year (2023: EUR 9.25^{*)}, ^{*)}after correction, see section 6.4).

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The development of property, plant and equipment and intangible assets in the 2024 and 2023 financial years is presented in the development of Group property, plant and equipment and intangible assets:

The loans from Schweizer Electronic AG are collateralised with land charges up to an amount of EUR 20.8 million. In addition, EUR 0.9 million (2023: EUR 3.4 million) is granted as collateral via a transfer of ownership of the inventory with a carrying amount of EUR 12.3 million (2023: EUR 15.1 million) at the Schramberg site.

There is a purchase commitment of EUR 412 thousand (2023: EUR 1,386 thousand) from investment orders placed.

Additions and disposals of property, plant and equipment

Additions to property, plant and equipment totalled EUR 1.3 million in 2024, which mainly related to additions to technical equipment and machinery in the amount of EUR 0.9 million and to advance payments and assets under construction in the amount of EUR 0.3 million.

Intangible assets

In the reporting year, further development costs of EUR 25 thousand were capitalised as internally generated intangible assets. Amortisation of intangible assets began in the 2024 financial year with the ramp-up of series production.

Depreciation and amortisation

Depreciation of property, plant and equipment is mainly recognised in the consolidated income statement under cost of sales.

Development of consolidated property, plant and equipment and intangible assets in 2024

in EUR thousand	Produrement and manufacturing costs						Accumulated depreciation						Carrying amounts	
	01/01/2024	Acquisitions	Disposals	Transfer postings	Currency translation	31/12/2024	01/01/2024 ¹⁾	Acquisitions	Disposals	Transfer postings	Currency translation	31/12/2024	31/12/2024	31/12/2023 ¹⁾
Property, plant and equipment														
Land and buildings	38,559	0	0	0	0	38,559	18,340	750	0	0	0	19,090	19,469	20,219
Technical equipment and machinery	89,648	876	2,921	289	0	87,892	77,087	2,652	2,079	-151	0	77,509	10,383	12,561
Other equipment, operating and office equipment	55,885	111	481	59	1	55,575	53,368	809	477	0	1	53,700	1,875	2,517
Advance payment and assets under construction	633	304	225	-408	0	304	0	225	225	0	0	0	304	633
Total property, plant and equipment	184,726	1,291	3,626	-60	1	182,330	148,795	4,435	2,781	-151	1	150,299	32,030	35,930
Rights of use														
Rights of use in accordance with IFRS 16	9,126	1,500	985	0	3	9,645	5,352	1,346	976	151	2	5,875	3,769	3,775
Intangible assets														
Industrial property rights and licences to such rights and assets	5,922	33	100	60	0	5,915	5,643	136	100	0	0	5,679	236	279
Internally generated intangible assets	329	25	0	0	0	354	0	59	0	0	0	59	295	329
Total intangible assets	6,251	57	100	60	0	6,269	5,643	195	100	0	0	5,738	531	608
Total amount	200,103	2,849	4,711	0	4	198,244	159,790	5,978	3,856	0	3	161,913	36,330	40,313

¹⁾ Correction in accordance with IAS 8, see note 6.4

Development of consolidated property, plant and equipment and intangible assets 2023

in EUR thousand	Produrement and manufacturing costs							Accumulated depreciation							Carrying amounts	
	01/01/2023	Acquisitions	Disposals	Change in consolidated group	Transfer postings	Currency translation	31/12/2023	01/01/2023 ¹⁾	Acquisitions ¹⁾	Disposals	Change in consolidated group	Transfer postings	Currency translation	31/12/2023 ¹⁾	31/12/2023 ¹⁾	31/12/2022 ¹⁾
Property, plant and equipment																
Land and buildings	64,313	0	765	-24,989	0	0	38,559	20,152	750	103	-2,459	0	0	18,340	20,219	20,957
Technical equipment and machinery	120,705	413	2,599	-37,242	8,371	0	89,648	81,631	1,740	214	-5,919	-151	0	77,087	12,561	14,241
Other equipment, operating and office equipment	58,853	117	457	-2,627	0	-1	55,885	53,395	898	193	-732	0	-1	53,368	2,517	3,300
Advance payment and assets under construction	9,297	324	0	-815	-8,172	0	633	0	0	0	0	0	0	0	633	747
Total property, plant and equipment	253,167	855	3,820	-65,673	199	-1	184,726	155,178	3,389	510	-9,111	-151	-1	148,795	35,930	39,245
Rights of use																
Rights of use in accordance with IFRS 16	14,926	177	392	-5,581	0	-4	9,126	5,702	1,005	25	-1,478	151	-3	5,352	3,775	5,002
Intangible assets																
Industrial property rights and licences to such rights and assets	7,483	15	781	-847	52	0	5,922	5,779	120	192	-64	0	0	5,643	279	388
Internally generated intangible assets	269	61	0	0	0	0	329	0	0	0	0	0	0	0	329	269
Total intangible assets	7,752	75	781	-847	52	0	6,251	5,779	120	192	-64	0	0	5,643	608	657
Total amount	275,845	1,107	4,993	-72,102	251	-4	200,103	166,659	4,514	727	-10,653	0	-4	159,790	40,313	44,904

¹⁾ Correction in accordance with IAS 8, see note 6.4

4.2 LEASES

The SCHWEIZER Group is a lessee of real estate, technical equipment, motor vehicles and other assets. Lease agreements for motor vehicles generally have a term of 3 years. The lease term for technical equipment is usually between 8 and 10 years. Property leases generally have a term of between 2 and 4 years.

There are currently no significant contractually stipulated extension or cancellation options in the Group that have not already been exercised in 2024.

In 2024, additions totalling EUR 1,500 thousand were recognised within the right-of-use assets (2023: EUR 177 thousand). The following table shows the carrying amounts of the right-of-use assets recognised and the changes during the reporting period:

in TEUR	Technical installations	Real estate	Motor vehicles	Other assets	Total
As at 31 December 2022	7,633	699	446	207	8,985¹⁾
Additions	-	-	172	5	177
Disposals from deconsolidation	-3,291	-678	-15	-	-3,983
Departures	-	-	-42	-	-42
Amortisation expense	-978	-15	-217	-149	-1,359
Currency conversion	-	-3	1	0	-2
As at 31 December 2023	3,364	3	345	63	3,775
Additions	808	59	634	0	1,500
Departures	0	-182	-449	-354	-985
Amortisation expense	-1,054	144	32	354	-524
Currency conversion	0	3	0	0	3
As at 31 December 2024	3,118	27	562	63	3,769

¹⁾The carrying amounts are shown before reclassification of assets held for sale; Schweizer Electronic (Jiangsu) Co, Ltd ("SEC") accounts for EUR 4,222 thousand

The carrying amounts of the lease liabilities amount to EUR 3,781 thousand (2023: EUR 3,810 thousand). The maturity analysis of the lease liabilities is presented in section 4.16.

In the current financial year, a sale and leaseback transaction was carried out in connection with the acquisition of a new laser drilling machine, which did not result in a gain or loss. The addition of the right-of-use asset is included in technical equipment. The resulting lease liability amounts to EUR 706 thousand as at 31 December 2024. This did not have a significant impact on the SCHWEIZER Group's cash flows

The following amounts were recognised in the income statement in the reporting period:

	2024 TEUR	2023 TEUR
Amortisation expense for rights of use	1,498	1,406
Interest expenses for lease liabilities	114	125
Expenses for leases of low-value assets	77	52
Total amount recognised in profit or loss	1,689	1,583

The cash outflows from repayments by the Group for leases amounted to EUR 1,552 thousand in 2024 (2023: EUR 1,429 thousand). Future cash outflows for leases that have not yet commenced are not currently expected.

4.3 FINANCIAL ASSETS RECOGNISED USING THE EQUITY METHOD

SCHWEIZER accounts for the shares in Schweizer Electronic (Jiangsu) Co., Ltd, China, using the equity method. In December 2024, the majority shareholder of Schweizer Electronic (Jiangsu) Co, Ltd, China, WUS Printed Circuits (Kunshan) Co, Ltd (China), carried out a capital increase at this company. Schweizer Electronic AG did not participate in this capital increase, so that the existing capital and voting rights of Schweizer Electronic AG were diluted to 16 %. This does not result in any change in accounting, as significant influence continues to exist via a seat on the company's supervisory board.

The financial assets recognised using the equity method developed as follows in the 2024 and 2023 financial years:

	2024	2023
	TEUR	TEUR
Balance sheet		
Non-current assets	104,135	113,835
Current assets	31,586	13,536
Assets	135,721	127,371
Non-current liabilities	-45,817	-46,942
Current liabilities	-86,230	-87,860
Debts	-132,047	-134,803
Income statement		
Sales revenue	42,240	15,956
Income taxes	0	0
Earnings after taxes	-11,013	-13,398
Overall result (100 %)	-11,013	-13,398

	2024	2023
	TEUR	TEUR
Carrying amount of shares in associates as at 1 January 2024 (2023: deconsolidation date)	10,065	13,657
Proportionate loss of the associated company (20 %) for May to December 2023	0	-2,679
Proportionate loss of the associated company (20 %) for January to November 2024	-1,999	0
Proportionate loss of the associated company (16 %) for December 2024	-114	0
Other comprehensive income (weighted, 2023: 20 %)	0	0
Overall result (weighted, 2023: 20 %)	-2,113	-2,679
Elimination of unrealised gains/losses from "downstream sales"	0	0
Dilution effect	2,144	0
Off-balance sheet amortisation from identified reserves	-1,369	-913
Carrying amount of shares in associates as at 31/12/	8,727	10,065

4.4 OTHER FINANCIAL ASSETS AND OTHER ASSETS

Other financial assets are made up as follows:

	2024	2023
	TEUR	TEUR
Creditors with debit balances	20	16
Financial receivable	1,150	1,125
Miscellaneous other financial assets	10	10
Total other financial assets	1,180	1,151
Long term	5	5
Short term	1,175	1,146

Other assets are made up as follows:

	2024	2023
	TEUR	TEUR
Value added tax receivable from investments	0	25
Upfront demands	941	858
Receivables from tax refunds	825	634
Miscellaneous other assets	700	510
Total other assets	2,466	2,026
Long term	899	550
Short term	1,567	1,476

The tax refund amounts are mainly due to the refund claims from energy tax of EUR 180 thousand (2023: EUR 217 thousand) and from electricity tax of EUR 644 thousand (2023: EUR 416 thousand).

The upfront receivables are based on deferred outgoing payments for anticipated discounts to various customers (upfront payments) totalling EUR 941 thousand (2023: EUR 858 thousand). They are reversed in line with the sales generated. Impairment losses of EUR 171 thousand were recognised for this item in the financial year, as it is not that this receivable is fully recoverable.

4.5 INVENTORIES

	2024	2023
	TEUR	TEUR
Raw materials and supplies	6,785	5,684
Work in progress	2,478	3,466
Finished goods and trading products	2,142	1,825
Total inventories	11,405	10,975

In 2024, inventories recognised as an expense in the cost of sales amounted to EUR 98,371 thousand (2023: EUR 77,430 thousand).

The cumulative write-downs on inventories amount to EUR 1,509 thousand (2023: EUR 1,413 thousand).

There are no significant restrictions on ownership or disposal of the inventories recognised.

4.6 TRADE RECEIVABLES

	2024	2023
	TEUR	TEUR
Trade receivables from related companies and persons	52	1,012
Trade receivables from associated companies	96	2,806
Other trade receivables	23,034	21,947
Total trade receivables	23,182	25,766

Trade receivables do not bear interest and are generally due within 30 to 90 days. To optimise working capital, the Group makes use of the factoring line granted to it. Assignments of receivables amounting to EUR 40.3 million were realised in the financial year. As at the balance sheet date, receivables totalling EUR 8.2 million had been assigned and derecognised.

in TEUR	Gross carrying amount as at 31 December 2024	Risk provisioning as at 31 December 2024	Through-average Expected probability of default in %	Gross carrying amount as at 31 December 2024
not due	28,767	0	0,0	28,767
due for 1-30 days	1,289	0	0,0	1,289
due since 31-60 days	323	0	0,0	323
due over 90 days	499	51	0,1	550
Total	30,878	51		30,928

As at 31 December 2024, there were additions to risk provisions in the amount of EUR 51 thousand (2023: EUR 57 thousand)

4.7 CONTRACT ASSETS

	2024 TEUR	2023 TEUR
Contract assets	10,973	10,773

An impairment loss of EUR 1 thousand (2023: EUR 3 thousand) was recognised for the contract assets.

4.8 CASH AND CASH EQUIVALENTS

	2024 TEUR	2023 TEUR
Cash at banks and cash in hand	8,157	7,685
As at 31 December	8,157	7,685

Bank balances bear interest at variable interest rates for callable balances.

As at 31 December 2024, the Group had committed credit lines of EUR 5,690 thousand (2023: EUR 5,690 thousand). The credit lines relate to the Schweizer Electronic AG. The latter has transferred a credit line totalling EUR 1 million to Schweizer Electronic Singapore Pte. Ltd. The cash and cash equivalents recognised are not subject to any restrictions on disposal. The conditions of the credit lines are listed below:

Credit lines	Condition in Financial year	Amount in TEUR
Financial year		
Schweizer Electronic AG		
Credit line Sparkasse Rottweil	5.576 %	3,400
Credit line Volksbank Schwarzwald-Donau-Neckar	7.697 %	290
Credit line Commerzbank AG – EUR	5.736 %	1,000
Schweizer Electronic Singapore Pte. Ltd.		
Credit line Commerzbank AG – USD	2.25 %	1,000

4.9 EQUITY CAPITAL

As at 31 December 2024, the share capital of Schweizer Electronic AG remained unchanged at EUR 9,664,054 and is divided into 3,780,000 registered shares (no-par value shares).

Schweizer Electronic AG holds a total of 9,287 treasury shares as at the balance sheet date. This corresponds to an amount of the share capital totalling EUR 24 thousand or 0.25 % of the share capital. The treasury shares are openly deducted from the subscribed capital at their nominal value. Each no-par value share entitles the holder to one vote at the Annual General Meeting of Schweizer Electronic AG in accordance with the dividend distribution resolved by the Annual General Meeting.

Development of the shares

	Treasury shares in EUR	Own shares in units	Shares in circulation in units,
Status 1 January 2023	23,743	9,287	3,770,713
Issue of shares	0	0	0
As at 31 December 2023	23,743	9,287	3,770,713
Issue of shares	0	0	0
As at 31 December 2024	23,743	9,287	3,770,713

Authorised capital

By resolution of the Annual General Meeting on 25 June 2021 and its entry in the commercial register, the Executive Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital by up to a total of EUR 4,832,026.93 until 24 June 2026 by issuing new registered ordinary or preference shares (no-par value shares) against cash or non-cash contributions (authorised capital). The authorisation can be used in full or in part, once or several times. The shareholders must be granted subscription rights, which can be excluded under certain conditions with the approval of the Supervisory Board.

Conditional capital

Furthermore, by resolution of the Annual General Meeting on 25 June 2021 and its entry in the commercial register, the Executive Board is authorised until 24 June 2026, with the approval of the Supervisory Board, to issue bearer or registered bonds (convertible bonds, bonds with warrants, profit participation rights, income bonds or combinations of these instruments) with or without a term limit of up to EUR 35 million and to grant holders or creditors of convertible bonds or bonds with warrants conversion or option rights to new no-par value registered shares in the company with a pro rata amount of up to EUR 35 million. EUR 35 million and to grant holders or creditors of convertible bonds or bonds with warrants conversion or option rights

to new registered shares in the company with a proportionate amount of the share capital of up to EUR 4,832,026.93. The bonds may be issued in whole or in part, once or several times. The shareholders must be granted subscription rights, which can be excluded under certain conditions with the approval of the Supervisory Board.

Capital reserves

The capital reserve relates to premiums in connection with the capital increases, share purchases and sales carried out at Schweizer Electronic AG as well as treasury shares transferred. Due to the provisions of the German Stock Corporation Act, the capital reserve is not for dividend distributions by Schweizer Electronic AG.

Retained earnings

Retained earnings essentially comprise the conversion effects from the first-time preparation of IFRS consolidated financial statements as well as the profits and losses generated in previous years by Schweizer Electronic AG and the consolidated subsidiaries that have not yet been distributed.

Other result

In addition to differences from currency translation and changes in the fair value of assets measured at fair value through other comprehensive income, effects from the remeasurement of pension obligations less offsetting deferred taxes are also recognised in retained earnings. An effect from the currency translation of foreign operations is recognised in other comprehensive income, which is to be reclassified to the income statement in subsequent periods.

	2024	2023
	TEUR	TEUR
Currency translation of foreign operations		
Consolidation-related currency effects	229	-1,370
Total	229	-1,370

Dividends

In the 2024 financial year, no cash dividend was distributed to the shareholders of Schweizer Electronic AG for the 2023 financial year.

Schweizer Electronic AG will also not pay a dividend for the 2024 financial year.

4.10 INFORMATION ON CAPITAL MANAGEMENT

For the purposes of capital management, equity comprises the subscribed capital and all other capital reserves attributable to the shareholders of the parent company. The primary objective of the Group's capital management is to optimise EBITDA or capital increases from the issue of new shares to increase the equity ratio.

The Group monitors its capital with the help of a gearing ratio, which corresponds to the ratio of debt to equity. The SCHWEIZER Group focuses on the development of the net gearing ratio. The net gearing ratio is calculated as the ratio of interest-bearing liabilities less cash and cash equivalents to equity.

	2024	2023
	TEUR	TEUR
Net gearing ratio as a performance indicator		
Financial liabilities	21,700	24,250
Less cash and cash equivalents	-8,157	-7,685
Net financial debt	13,543	16,565
Equity capital	21,569	29,321 ^{*)}
Net gearing ratio	62.8 %	56.5 % ^{*)}
Equity ratio	21.1 %	26.7 % ^{*)}

The Group's equity totalled EUR 21.6 million as at the balance sheet date (2023: EUR 29.3 million). The SCHWEIZER Group's equity ratio decreased by 5.6 percentage points to 21.1 % in the 2024 financial year (2023: 26.7 %^{*)}) due to the negative consolidated result.

^{*)} After correction in accordance with IAS 8, see section 6.4

4.11 FINANCIAL LIABILITIES

Financial liabilities are broken down into the following bank loans and developed as follows in the 2024 financial year:

	Condition in Financial year	Maturity year	2024 TEUR	2023 TEUR
Financial liabilities				
Variable-interest bank loans				
Schweizer Electronic AG				
			21,700	24,250
Bank loan with a nominal value of EUR 25 million	5.576 % ¹⁾	2025	14,200	16,000
Bank loan with a nominal value of EUR 9 million	5.576 % ¹⁾	2028	7,500	8,250

¹⁾ A variable interest rate of zero or positive 3-month Euribor plus a margin surcharge of 1 % to 2.25 % depending on the net debt has been agreed for these loans.

The bank loans are non-current and current financial liabilities. The term of the loans ends between 2025 and 2028; any remaining debt at the end of the term is bullet. A commitment from our principal banks to extend the loan maturing in 2025 with residual debt of EUR 12.4 million until 2033 has been in since November 2024.

The loans from Schweizer Electronic AG are collateralised with land charges up to an amount of EUR 20.8 million. In addition, EUR 0.9 million (2023: EUR 3.4 million) is granted as collateral via a transfer of ownership of the inventory with a carrying amount of EUR 12.3 million (2023: EUR 15.1 million) at the Schramberg site.

The loan portfolio is reviewed on a weekly basis, together with the ongoing short and medium-term financial planning for the SCHWEIZER Group.

4.12 OTHER FINANCIAL LIABILITIES

	2024 TEUR	2023 TEUR
Liabilities from leases	3,781	3,811
Derivatives with negative market value	0	28
Miscellaneous other financial liabilities	171	83
Total other financial liabilities	3,952	3,923
Long term	2,248	2,575
Short term	1,704	1,348

4.13 PROVISION FOR DEFINED BENEFIT PENSION PLANS

The pension obligations are commitments financed by provisions and are subject to the regulations of the respective pension scheme and statutory provisions. These are service-linked benefit commitments that grant not only pension benefits but also disability and surviving dependants' benefits.

All of the Group's defined benefit pension plans are subject to typical actuarial risks, in particular interest rate risks. The service cost and the net interest on the net defined benefit liability are recognised in the income statement under personnel expenses in the respective functional areas.

The defined benefit obligations are recognised using the projected unit credit method in accordance with actuarial methods. The following actuarial assumptions and the "Heubeck 2018 G mortality tables" were used as a basis for the German companies:

		2024	2023
Financial assumptions			
Discount rate as at 31 December	%	3.42	3.10
Future pay increases	%	-	-
Future pension increases for senior executives p.a.	%	2.5	2.50
Future pension increases Executive Board members p.a.	%	1.0	2.00
Future pension increase Others p.a.	%	1.0	1.50
Demographic assumptions			
Expected age		RT 2018 G	RT 2018 G
Calculated retirement age Individual commitments	years	60	60
Calculated retirement age Others	years	by law	by law
Fluctuation p.a.	%	3.78	6.51

A salary trend due to future salary increases was not taken into account because all employment contracts have been terminated or are non-salary-related commitments. The net obligations are recognised in the balance sheet in the amount of EUR 15.6 million (2023: EUR 17.5 million) and are derived as follows.

Changes in the present value of defined benefit obligations	2024 TEUR	2023 TEUR
Liability from defined benefit obligation as at 1 January	17,474	15,777
Expenses recognised in profit or loss		
Interest expense	528	566
Current service cost	109	101
Pension benefits paid	-932	-915
Settlements	0	-11
Amounts recognised in other comprehensive income		
Actuarial gains and losses		
Changes in demographic assumptions	2	-1
Changes in financial assumptions	-1,502	2,025
Experience adjustments Gains (-) / losses (+)	-34	-68
Liability from defined benefit obligation as at 31 December	15,645	17,474

Amounts recognised in the balance sheet for defined benefit obligations	2024 TEUR	2023 TEUR
Present value of defined benefit obligations	15,645	17,474
Provisions for pensions and similar obligations	15,645	17,474
These obligations are broken down as follows:		
Active candidates	4,091	4,814
Retired members with vested entitlements	1,136	1,369
Pensioner	10,418	11,291

The following amounts were recognised in the statement of comprehensive income:

	2024	2023
	TEUR	TEUR
Effects on the statement of comprehensive income		
Current service cost	109	101
Interest expense for the defined benefit obligation	528	566
Amounts recognised in the income statement	637	667
Actuarial gains (-) and losses (+)		
from the change in demographic assumptions	2	-1
from the change in financial assumptions	-1,502	2,025
due to experience-based adjustments	-34	-68
Amounts recognised in other comprehensive income	-1,534	1,956
Total (amounts of income (-) and expenses (+) recognised in the statement of comprehensive income)	-897	2,623

The following sensitivity analysis shows how the present value of the obligation would change if the actuarial assumptions were to change. No correlations between the individual assumptions were taken into account, i.e. if one assumption varied, the other assumptions were kept constant. The projected unit credit method used to determine the balance sheet values was also used in the sensitivity analysis.

		2024	2023
		TEUR	TEUR
Sensitivity			
Discount rate	+0.5 %	-816	-985
Discount rate	-0.5 %	897	1,089
Pension increase	+0.5 %	790	935
Pension increase	-0.5 %	-730	-861
Change in service life	+ 1 year	613	730

The following undiscounted payments for pensions are expected to fall due in subsequent years:

	2024	2023
	TEUR	TEUR
Within the next twelve months (next financial year)	1,012	993
between two and five years	4,087	4,116
between six and ten years	4,805	5,095

The weighted average term of the defined benefit plans at the end of the financial year was 11.3 years (2023: 12.2 years).

There are no further obligations for the defined contribution pension plans for Executive Board members beyond the payment of contributions to the congruently reinsured provident fund. The contribution payments are recognised in personnel expenses and amount to EUR 732 thousand for the financial year (2023: EUR 592 thousand).

In the 2024 financial year, contributions to statutory pension insurance totalled EUR 2,380 thousand (2023: EUR 2,307 thousand).

4.14 TRADE PAYABLES AND OTHER LIABILITIES

Trade payables amount to EUR 28,164 thousand (2023: EUR 19,179 thousand).

Other liabilities are made up as follows:

	2024	2023
	TEUR	TEUR
Liabilities from payroll accounting	1,540	1,542
Liabilities from other taxes	966	1,320
Liability upfront	458	570
Miscellaneous other liabilities	2,098	2,168
Total other liabilities	5,062	5,600
Long term	2,256	2,913
Short term	2,806	2,687

The upfront liability is based on an accrued payment received for anticipated discounts from a supplier (upfront payment) of EUR 458 thousand (2023: EUR 570 thousand). The reversal is analogous to the sales realised. Miscellaneous other liabilities include a compensation payment to a former member of the Executive Board in the amount of EUR 2,088 thousand.

4.15 OTHER PROVISIONS

Other provisions are broken down into the following types of provisions and developed as follows in the 2024 financial year:

in TEUR	Status 1.1.	Ad- ditions	Con- sumption	Rever- sal	Interest effect	Reclassi- fication	As at 31 Dec.
Obligations to employees	2,161	824	1,443	113	18	-	1,411
Guarantees	695	154	160	33	-	-	656
Other provisions	3,236	1,706	2,197	204	-1	250	2,290
Total	6,092						4,357
Thereof short-term	5,022						4,173
Thereof long-term	1,070						184

Obligations to employees include costs for entitlements from time credits, profit sharing, outstanding holidays, anniversary and partial retirement obligations as well as other personnel expenses.

The total obligation from partial retirement agreements amounted to EUR 882 thousand as at the reporting date (2023: EUR 829 thousand). Insolvency-protected reinsurance assets were netted at EUR 778 thousand (2023: EUR 483 thousand).

Miscellaneous other provisions mainly include provisions for annual financial statement costs totalling EUR 344 thousand (2023: EUR 382 thousand), outstanding cost invoices totalling EUR 479 thousand (2023: EUR 591 thousand) and provisions for variable remuneration for former and current members of the Executive Board totalling EUR 946 thousand (2023: EUR 1,186 thousand).

An outflow of economic benefits is expected within the next 12 months for the majority of other provisions, with the exception of those for compensation payments, partial retirement and long-service awards.

4.16 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

2024

in TEUR	To be enclosed the fair value	1st stage	2nd stage	3rd stage	at amortised cost	Not within the scope of IFRS 7	Book value
Assets							
Shareholdings	12			12			12
Receivables from goods and services					23,182		23,182
Other non-derivative financial assets					1,180		1,180
Cash and cash equivalents					8,157		8,157
Liabilities							
Financial liabilities	21,700				21,700		21,700
Liabilities from deliveries and services					28,164		28,164
Other derivative financial liabilities	0	0					0
Other non-derivative financial liabilities					172		172

2023

in TEUR	Fair value	1st stage	2nd stage	3rd stage	at amortised cost	Not within the scope of IFRS 7	Book value
Assets							
Shareholdings	12			12			12
Receivables from goods and services					25,766		25,766
Other non-derivative financial assets					1,151		1,151
Cash and cash equivalents					7,685		7,685
Liabilities							
Financial liabilities	24,250				24,250		24,250
Liabilities from deliveries and services					19,179		19,179
Other derivative financial liabilities	28	28					28
Other non-derivative financial liabilities					83		83

Lease liabilities are not included in the financial liabilities measured at amortised cost as they do not fall within the scope of IFRS 9. With regard to the investments, the carrying amount corresponds to the fair value due to the measurement category.

The carrying amounts of trade receivables, other non-derivative financial assets and cash and cash equivalents approximate their fair values due to the predominantly short maturities of these instruments.

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

Hedging transactions for gas and electricity are concluded at the Schramberg site to secure energy prices. These are not to be recognised as derivatives in accordance with IFRS 9, as they are fully used by the company itself.

Net losses and gains from financial instruments per measurement category in accordance with IFRS 9 for the 2024 financial year

in TEUR	Fair value	Value Correction	from Interest	from Dividends	Net result
Financial assets measured at amortised cost (amortised cost)	-	-30	-84	-	-114
Financial assets at fair value through profit or loss (FVTPL)	-	-	-	-	-
Financial assets (equity instruments) measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-
Financial liabilities measured at amortised cost (FLAC)	-	-	-1,348	-	-1,348
Financial liabilities at fair value through profit or loss (FVTPL)	-	-9	-	-	-9
Total	-	-39	-1,432	-	-1,471

Net losses and gains from financial instruments per measurement category in accordance with IFRS 9 for the 2023 financial year

in TEUR	Fair value	Value Correction	from Interest	from Dividends	Net result
Financial assets measured at amortised cost (amortised cost)	-	-50	-48	-	-98
Financial assets at fair value through profit or loss (FVTPL)	-	-	-	-	-
Financial assets (equity instruments) measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-
Financial liabilities measured at amortised cost (FLAC)	-	-	-2,600	-	-2,600
Financial liabilities at fair value through profit or loss (FVTPL)	-	-130	-	-	-130
Total	-	-180	-2,648	-	-2,828

Risks in connection with financial instruments

SCHWEIZER is exposed to risks from changes in exchange rates and interest rates and uses derivative instruments to hedge risks from operating and financing activities to a limited extent in accordance with the risk assessment. The use of these instruments is regulated as part of the risk management system by Group guidelines that set limits based on the underlying business, define approval procedures, exclude the use of derivative instruments for speculative purposes, minimise credit risks and regulate internal reporting and the separation of functions. Compliance with these guidelines and the proper processing and valuation of transactions are regularly reviewed while maintaining the separation of functions. The risk management of financial instruments is also embedded in the Group-wide risk management system. For further explanations on this topic, please refer to the relevant sections in the "Opportunities and risk report" in the Group management report.

The following risks are essentially hedged:

Interest rate risks:

No interest rate hedges were recognised as at the reporting date. The quantitative risk indication required by IFRS 7 in relation to the interest rate risk is presented using a sensitivity analysis. This method is used to determine the effects of hypothetical changes in market interest rates on interest income and interest expenses and on equity as at the reporting date. The sensitivity analysis is based on the following assumptions: financial instruments with variable interest rates are subject to interest rate risk and are therefore included in the sensitivity analysis. If the interest rate on the variable-interest loans had risen (fallen) by 1 % during the financial year, earnings before income taxes would have fallen or risen by EUR 226 thousand each (2023: EUR 258 thousand each).

Currency risks:

The primary financial instruments are essentially held in the functional currency.

Exchange rate differences resulting from the translation of financial statements into the Group currency are not taken into account.

If the euro had risen (fallen) by 10 % against the US dollar as at 31 December 2024, earnings before income taxes would have risen by EUR 498 thousand (2023: EUR 120 thousand) or fallen by EUR 609 thousand (2023: EUR 151 thousand). An increase (decrease) in the euro against the Singapore dollar by 10 % would lead to a decrease (increase) in earnings before income taxes of EUR 11 thousand (2023: EUR 12 thousand) and EUR 1 thousand (2023: EUR 1 thousand) respectively. The effects of a 10 % increase (decrease) in the euro against the Chinese renminbi would be a gain of EUR 20 thousand (2023: EUR 42 thousand) or a loss of EUR 1 thousand (2023: EUR 5 thousand).

In order to reduce currency risks and to secure the calculation basis for customer orders, natural hedge transactions are carried out on a case-by-case basis or derivative financial instruments can be used depending on the assessment of developments on the foreign exchange market. Currency risks are monitored and managed centrally. There were no cross-year hedging contracts on the reporting date.

Liquidity risks:

Risks from cash flow fluctuations are recognised at an early stage as part of the established liquidity planning system. Thanks to the credit lines granted by banks, the Group has access to sufficient liquid funds. The Group utilises the factoring line granted to it to cushion any liquidity risks that may arise. This was also utilised for USD receivables for the first time in the 2024 financial year. Appropriate risk management

measures to raise capital, for example by issuing new shares, convertible bonds or corporate bonds, can be used to counter developments or risk scenarios that could jeopardise liquidity.

Maturity analysis of liabilities

The financial liabilities have the following maturities:

2024	31/12/	up to 3	3 to 12	1 to 5	more	Total
	TEUR	Months	Months	years	than 5	TEUR
		TEUR	TEUR	TEUR	years	
		TEUR	TEUR	TEUR	TEUR	TEUR
Financial liabilities	21,700					
Redemption		638	1,912	14,500	4,650	21,700
Interest		303	854	3,388	421	4,966
Balance		941	2,766	17,888	5,071	26,666
Liabilities from deliveries and services	28,164	19,362	8,802	-	-	28,164
Other financial liabilities	3,952	-	-	-	-	-
of which leasing liabilities	3,781					
Redemption		387	1,146	2,191	57	3,781
Interest		26	63	64	-	153
Balance		413	1,209	2,255	57	3,934
of which miscellaneous other financial liabilities	171	171	-	-	-	171
Other derivative financial liabilities	-	-	-	-	-	-
Total	53,816	20,887	12,777	20,143	5,128	58,935

2023	31/12/	up to 3	3 to 12	1 to 5	more	Total
	TEUR	Months	Months	years	than 5	TEUR
		TEUR	TEUR	TEUR	years	
		TEUR	TEUR	TEUR	TEUR	TEUR
Financial liabilities	24,250					
Redemption		700	1,850	21,700	-	24,250
Interest		306	877	1,920	-	3,102
Balance		1,006	2,727	23,620	-	27,352
Liabilities from deliveries and services	19,179	16,419	2,560	200	-	19,179
Other financial liabilities	3,894					83
of which leasing liabilities	3,811					
Redemption		316	921	2,574	-	3,811
Interest		25	62	79	-	166
Balance		341	983	2,653	-	3,977
of which miscellaneous other financial liabilities	83	83	-	-	-	83
Other derivative financial liabilities	28	-	-	-	-	28
thereof commodity swaps	-	28	-	-	-	28
Total	47,351	17,877	6,270	26,473	-	50,619

Counterparty risks:

Recognisable risks are taken into account through appropriate risk provisioning, otherwise the carrying amount represents the maximum credit risk.

Counterparty default risks are recognised using the expected credit loss model. This means that a risk discount is applied according to the probability of default and this is taken into account for the corresponding term of the assets. The SCHWEIZER Group carries out a regular review of the expected credit loss model in accordance with IFRS 9 in order to identify potential effects on the model and make any necessary adjustments. A review based on the current information situation therefore revealed no need for adjustment as at 31 December 2024. The SCHWEIZER Group also pursues an active receivables management policy. All outstanding receivables are categorised as due or overdue based on the relevant payment terms (see section 4.6). Based on the overdue status, debtors are categorised into dunning levels and reminders are sent.

4.17 GRANTS FROM PUBLIC AUTHORITIES

	2024	2023
	TEUR	TEUR
Recognised in profit or loss	179	35

In the 2024 financial year, Schweizer Electronic AG received project-related funding from the federal government in the amount of EUR 166 thousand, which relates to non-capitalisable expenses. This was recognised in the income statement under other operating income.

5. NOTES TO THE CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES

Operating cash flow by a total of EUR -2.9 million to EUR 7.0 million (2023: EUR 9.9 million). The starting point is the significantly lower earnings before taxes compared to the previous year at EUR -9.9 million (2023: EUR 35.6 million; after adjustment in accordance with IAS 8, see section 6.4)

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities totalled EUR -0.5 million in the reporting year (2023: EUR 3.4 million).

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities decreased by EUR 3.6 million to EUR -5.9 million compared to the previous year (2023: EUR 9.5 million), in particular due to loan repayments

CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

in TEUR	01/01/2024	Currency differences	Cash flow from financing activities	New leases	31/12/2024
Financial liabilities	24,250	-	-2,550	-	21,700
Other financial liabilities	3,923				3,952
of which leasing liabilities	3,811	1	-1,552	1,521	3,781
Interest paid	-	-	-1,766	-	-
Liabilities from financing activities	28,061¹⁾	1	-5,867	1,521	25,481¹⁾
long-term	24,275				21,398
short term	3,786				4,083

¹⁾ The interest paid is part of the cash flow from financing activities, but is not included in the liabilities from financing activities as at 1 January 2024 or 31 December. Total liabilities from financing activities only include financial and lease liabilities.

in TEUR	01/01/2023	Correction IFRS 5	Currency differences	Cash flow from financing activities	New leases	31/12/2023
Financial liabilities	91,391	-58,221	-891	-8,029	-	24,250
Other financial liabilities	9,369					3,923
of which leasing liabilities	9,262	-3,927	-272	-1,429	177	3,811
Liabilities from financing activities	100,653¹⁾	-62,148	-1,163	-9,458	177	28,061¹⁾
long-term	74,464					24,275
short term	26,169					3,786

¹⁾ The interest paid is a component of the cash flow from financing activities, but is not included in the liabilities from financing activities as at 1 January 2024 or 31 December. Total liabilities from financing activities only include financial and lease liabilities.

6. OTHER NOTES

6.1 CONTINGENT LIABILITIES

As at 31 December 2024, there were liabilities from cooperative shares in Schweizer Electronic AG in the amount of EUR 5 thousand (2023: EUR 5 thousand).

There are no contingent liabilities at subsidiary level.

The risk of utilisation from contingent liabilities is considered immaterial.

6.2 SHARE-BASED PAYMENT

Since the 2019 financial year, the company has granted the members of the Executive Board share-based, long-term cash remuneration as part of a long-term incentive plan (LTI).

The amount of the payout from the LTI plan is determined by the development of the Schweizer Electronic AG price, the achievement of the return on capital employed (ROCE) target and a corporate factor defined by the Supervisory Board. Virtual shares are only allocated and paid out from the LTI plan if an average ROCE target achievement level of at least 80 % is reached over the four-year performance period.

If the target is achieved, the amount of the payout is largely determined by the average price of the Schweizer Electronic AG share at the end of the performance period. The payout amount is calculated by multiplying this share price by the number of virtual shares awarded to the Executive Board member under the LTI plan. The number of virtual shares is calculated as follows: Depending on the degree of target achievement, a certain amount (40 % of the gross annual fixed salary at target achievement; maximum amount limited to of the gross annual fixed salary) is converted into virtual shares on the basis of an average starting price determined at the beginning of the performance period. This starting number of virtual shares is further developed with

the ROCE target achievement factor on average over the performance period and the company factor to a final number of virtual shares at the end of the performance period.

The entitlements from the LTI plan earned up to the end of the financial year are measured at a payout amount of EUR 127 thousand (2023: EUR 221 thousand) as at the reporting date, as the average target achievement level for the 2021 tranche (performance period 2021 to 2024 inclusive) at the end of the performance period with regard to ROCE was 130 percent (= payout value 160 percent).

A possible payout from the LTI plan is made after the four-year performance period in the form of a cash payment. Further information on the remuneration of the members of the Executive Board can be found in section 6.3.

6.3 INFORMATION ON RELATIONSHIPS WITH RELATED COMPANIES AND PERSONS

Related companies

Related companies controlled by Schweizer Electronic AG are shown in section 7.5. Transactions between Schweizer Electronic AG and its subsidiaries were eliminated as part of the consolidation. The pension plans that SCHWEIZER manages for Executive Board members as congruently reinsured provident funds are also considered related parties (see section 4.13).

Related parties

Related parties of the SCHWEIZER Group include the members of the Executive Board and Supervisory Board of Schweizer Electronic AG (see section 7.4), as well as their close family members.

The remuneration of the members of the Executive Board and the Supervisory Board is as follows:

	2024	2023
	TEUR	TEUR
Short-term employee benefits (without share-based payment)	1,429	1,402
Benefits after termination of the employment relationship	732	596
Share-based payments	127	221
Total	2,288	2,219

The total remuneration of the Executive Board in accordance with Section 314 para. 1 no. 6a HGB totalled EUR 1,369 thousand in the financial year (2023: EUR 1,262 thousand). This includes short-term variable benefits totalling EUR 248 thousand (2023: EUR 584 thousand), but does not include contributions for post-employment benefits.

In the 2024 financial year, former members of the Executive Board and their surviving dependants were granted post-employment benefits totalling EUR 709 thousand (2023: EUR 700 thousand). The provisions for this group of persons amount to EUR 4,116 thousand (2023: EUR 4,763 thousand) for pensions and EUR 573 thousand (2023: EUR 625 thousand) for provident funds. There is also a compensation payment obligation of EUR 2,088 thousand (2023: EUR 2,217 thousand) for a former member of the Executive Board.

The total remuneration of the Supervisory Board in accordance with Section 314 para. 1 no. 6a HGB amounted to short-term benefits totalling EUR 180 thousand in the financial year (2023: EUR 180 thousand). The employee representatives on the Supervisory Board employed by SCHWEIZER received a salary for their work as employees.

Further details on the remuneration of the Executive Board and the Supervisory Board can be found in the remuneration report.

Other transactions with related companies and persons

The summarised value of transactions and outstanding balances in connection with companies controlled by members of the Supervisory Board or over which a significant influence is exercised were as follows:

in TEUR	Related parties and companies		Associated companies	
	2024	2023	2024	2023
Services rendered and deliveries made	908	1,012	3,375	561
Deliveries and services received	43,198	32,051	33,451	6,866
Receivables	52	123	95	5,754
Liabilities	8,291	10,215	16,394	4,014

All outstanding balances with these related parties were concluded at arm's length. None of the balances are secured. In the current year and the previous year, no expenses were recognised for irrecoverable or doubtful receivables with regard to the amounts owed by related parties. A company controlled by a member of the Supervisory Board carried out a capital increase at Schweizer Electronic (Jiangsu) Co, Ltd in the financial year.

6.4 CORRECTION OF PREVIOUS YEAR'S FIGURES IN ACCORDANCE WITH IAS 8

It was determined that in 2022 and 2023, depreciation and amortisation of non-current assets held for sale were not eliminated in accordance with IFRS 5. As a result, current depreciation and amortisation was too high and the carrying amounts of non-current assets too low in the years concerned.

This has now been corrected in accordance with IAS 8.42. The deconsolidation result in 2023, which is also based on the disposal of assets, remains unaffected. This correction had the following effects on the consolidated financial statements for 2022 and 2023:

Consolidated balance sheet

01 January 2023	Effects of the correction		
	As before reported	Adjustments	Customised
	TEUR	TEUR	TEUR
Property, plant and equipment	37,983	1,263	39,245
Intangible assets	629	28	657
Rights of use in accordance with IFRS 16	4,762	239	5,002
Deferred tax assets	928	382	1,310
Other assets	115,987		115,987
Deferred tax liabilities	2,486	382	2,868
Other liabilities	166,594		166,594
Equity capital	-8,791	1,530	-7,262
thereof retained earnings	-37,970	1,530	-36,440

Consolidated balance sheet

31 December 2023	Effects of the correction		
	As before reported	Adjustments	Customised
	TEUR	TEUR	TEUR
Property, plant and equipment	32,958	2,972	35,930
Intangible assets	523	85	608
Rights of use in accordance with IFRS 16	3,304	470	3,775
Other assets	69,335		69,335
Total debt	80,326		80,326
Equity capital	25,794	3,527	29,321
thereof retained earnings	-5,573	3,527	-2,045

Consolidated income statement

01 January to 31 December 2023	Effects of the correction		
	As before reported	Adjustments	Customised
	TEUR	TEUR	TEUR
Consolidated net income	32,887	1,997	34,884
EBIT	40,932	1,997	42,929
Cost of sales	-123,873	1,997	-121,876
Earnings per share	8.72	0.53	9.25

The correction had no effect on the amount of cash flows. In the cash flow statement, only earnings before taxes were increased accordingly as a result of the correction and the amount of depreciation and amortisation (included in the cost of sales, previously reported at EUR 6,512 thousand) was correspondingly reduced by EUR 1,997 thousand.

The deferred taxes recognised under IAS 8 in 2022 and until April 2023 were fully deconsolidated and reversed as part of the sale of the majority stake in Schweizer Electronic (Jiangsu) Co. Ltd.

7. ADDITIONAL DISCLOSURES IN ACCORDANCE WITH HGB

7.1 DECLARATION PURSUANT TO SECTION 161 AKTG ON THE CORPORATE GOVERNANCE CODE

The Executive Board and Supervisory Board of Schweizer Electronic AG have issued the declaration for 2024 required by Section 161 AktG and made it available to shareholders on the company's website at <https://schweizer.ag/investoren-und-medien/corporate-governance>.

7.2 NUMBER OF EMPLOYEES

The average number of employees is as follows:

	2024			2023		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Commercial employees	315	0	315	302	0	302
Employees	203	22	226	194	23	217
Number of employees	518	22	540	496	23	519
Apprentices	11	0	11	14	0	14
Number of employees (incl. trainees)	529	22	551	510	23	533

7.3 AUDITOR'S FEE

For the financial year, the auditor's fee for auditing services totalled EUR 620 thousand (of which EUR 130 thousand for the previous year) and EUR 6 thousand for other auditing services in connection with the German Electricity Grid Charges Regulation.

7.4 ORGANS

Executive Board

The following persons were appointed as Executive Board members in the financial year:

Nicolas-Fabian Schweizer

Chairman of the Executive Board

Responsible for Sales & Marketing, Human Resources, Legal and Media & Communications (PR).

Activities and mandates within the Group:

- Managing Director of Schweizer Pte. Ltd, Singapore
- Managing Director of Schweizer Electronic Singapore Pte. Ltd, Singapore
- Supervisor of Schweizer Trading (Suzhou) Co, Ltd, China
- President of Schweizer Electronic Americas Inc., Delaware, USA
- Member of the Management Board of Unterstützungskasse Christoph Schweizer e.V., Schramberg

Other activities and mandates

- Member of the Board of the ZVEI
- Chairman of the PCB & Electronic Systems Association of the ZVEI
- Member of the Electronica Advisory Board of Messe München
- Member of the Freiburg Regional Advisory Board of Deutsche Bank AG
- Member of the General Assembly of the Schwarzwald-Baar-Heuberg Chamber of Industry and Commerce
- Member of the Advisory Board of WVIB Schwarzwald AG

Marc Bunz

Member of the Executive Board (Deputy Chairman)

Responsible for Trading & Supply Chain, Finance & Controlling, Information Technologies and Investor Relations.

Activities and mandates within the Group:

- Managing Director of Schweizer Pte. Ltd, Singapore
- Managing Director of Schweizer Electronic Singapore Pte. Ltd, Singapore
- Chairman of the Board of Directors of Schweizer Trading (Suzhou) Co, Ltd, China
- Secretary of Schweizer Electronic Americas Inc., Delaware, USA
- Director Schweizer Electronic (Jiangsu) Co, Ltd, Changzhou City, Jintan, China
- Member of the Management Board of Unterstützungskasse Christoph Schweizer e.V., Schramberg

Other activities and mandates

- Member of the Exchange Council Baden-Württembergische Wertpapierbörse e.V.
- Member of the Advisory Board of HDI Global SE

Thomas Gottwald (since 1 May 2024)

Member of the Executive Board

Responsible for Operations (Production Germany), Technology and R&D

Supervisory Board

The Supervisory Board is composed as follows:

Dr Stefan Krauss

Chairman of the Supervisory Board
Chairman of the Audit Committee

Lawyer, partner in the law firm KRAUSS-LAW, Lahr/Black Forest

Dr Harald Marquardt

Deputy Chairman of the Supervisory Board
Deputy Chairman of the Audit Committee

Chairman of the Executive Board of Marquardt Management SE, Rietheim-Weilheim
(until 31 December 2024)

Member of the Executive Board of Marquardt Management SE, Rietheim-Weilheim
(since 1 January 2025)

Dr Andreas Schumacher

Member of the Audit Committee
Executive Vice President Strategy, Mergers & Acquisitions
Infineon Technologies AG, Neubiberg

Chris (Chuan Pin) Wu

President of WUS Printed Circuit (Kunshan) Co, Ltd, Kunshan, China

Other activities and mandates:

- Director Biggering (BVI) Holdings Co, Ltd, British Virgin Islands, United Kingdom
- Director Happy Union Investment Co, Ltd, New Territories,
- Chairman of the Board Schweizer Electronic (Jiangsu) Co, Ltd, Changzhou City, Jintan, China

Jürgen Kammerer*)

Process Technician Mechanics, Schweizer Electronic AG, Schramberg

Petra Gaiselmann*) (until 28 June 2024)

Human Resources employee, Schweizer Electronic AG, Schramberg

Markus Kretschmann*) (since 28 June 2024)

Technician Technical Services, Schweizer Electronic AG, Schramberg

*) Employee representation

7.5 SHAREHOLDINGS AS AT 31 DECEMBER 2024

Name	Headquarters	Share of equity (in percent)
Fully consolidated subsidiaries		
Schweizer Pte. Ltd.	Singapore	100.0
Schweizer Electronic Singapore Pte. Ltd.	Singapore	100.0
Schweizer Trading (Suzhou) Co., Ltd.	Suzhou / China	100.0
Schweizer Electronic Americas Inc.	New Castle / USA	100.0
Unterstützungskasse Christoph Schweizer e.V.	Schramberg / Germany	100.0
Associated companies (recognised using the equity method)		
Schweizer Electronic (Jiangsu) Co., Ltd.	Jiangsu / China	16.0
Other investments		
SCHRAMBERGER WOHNUNGSBAU GmbH	Schramberg / Germany	1.3

Schramberg, 16 April 2025

Schweizer Electronic Aktiengesellschaft
The Executive Board

(Nicolas-Fabian Schweizer)

(Marc Bunz)

(Thomas Gottwald)

INDEPENDENT AUDITOR'S REPORT

To Schweizer Electronic Aktiengesellschaft, Schramberg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SUMMARISED REPORTMANAGEMENT

Audit judgements

We have audited the consolidated financial statements of Schweizer Electronic Aktiengesellschaft, Schramberg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Schweizer Electronic Aktiengesellschaft for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of those parts of the combined report management listed in the "Other information" section of our auditor's report.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS accounting standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS accounting standards") as adopted by the EU and the additional requirements of German commercial

law pursuant to Section 315e (1) HGB and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with these requirements, and

- the accompanying summarised management report as a whole provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined report management listed in the "Other information" section.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined report management.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) . Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Report Management" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under

Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Material uncertainty in connection with the continuation of business activities

We refer to the section "2 Summary of significant accounting policies" subsection "Assumptions and estimates" in the notes to the consolidated financial statements and the disclosures in the section "Opportunity and risk report" subsection "Financial risks" of the combined management report, in which the legal representatives describe that the Group's equity decreased from EUR 29.3 million to EUR 21.6 million in the 2024 financial year. The legal representatives further describe that the review of the available liquidity for the next twelve months in the assumed plan scenario does not indicate a shortfall in the financing requirements of Schweizer Electronic AG and the Group at any time. They also state that in the event of deviations from the plan scenario compared to the assumed economic trend occurring in the forecast period as a result of a sustained weakness in demand, significant shortfalls in sales could occur and thus have a negative effect on cash flow, which could lead to a temporary liquidity shortfall.

As described in section "2 Summary of significant accounting policies", subsection "Assumptions and estimates" in the notes to the consolidated financial statements and in the disclosures in the section "Opportunity and risk report", subsection "Financial risks" in the summarised management report, these events and circumstances indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern and which constitutes a going concern risk within the meaning of Section 322 (2) sentence 3 HGB.

In accordance with Article 10 (2) (c) (ii) of the EU Audit Regulation, we summarise our response to this risk as follows:

We interviewed the legal representatives and the Chairman of the Supervisory Board regarding their assessment of the going concern status and obtained a written assessment of the going concern status from the Executive Board.

With the involvement of our restructuring specialists, we assessed the appropriateness of the key assumptions for the company's liquidity planning for the next twelve months. To this end, we discussed the expected sales and earnings trends with the person responsible for planning. In addition, we compared the planned figures for the current year with the actual figures for the first quarter and compared the previous year's planning with the actual figures for the 2024 financial year.

In order to take account of the forecast uncertainty, we have analysed the impact of sustained budget shortfalls in terms of sales and margin development by creating alternative scenarios.

Finally, we assessed the appropriateness of the disclosures in the combined management report and notes.

We do not express a separate opinion on these matters.

The assumptions made by the Executive Board and the presentation in the notes and summarised management report are comprehensible.

Our audit opinions on the consolidated financial statements and on the combined management report are not modified with respect to this matter.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

The recoverability of the investment in Schweizer Electronic (Jiangsu) Co., Ltd.

Please refer to section 4.3 of the notes to the consolidated financial statements for information on the accounting policies applied.

THE RISK FOR THE FINANCIAL STATEMENT

The shares in Schweizer Electronic (Jiangsu) Co., Ltd ("SEC") amounting to EUR 8.7 million are reported under financial assets accounted for using the equity method in the company's consolidated financial statements as at 31 December 2024. SEC's share of total assets amounts to 8.5 % and therefore has a significant impact on the Group's financial position.

If there are indications of an impairment of financial assets recognised using the equity method, the company determines the recoverable amount as at the reporting date and compares this with the carrying amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the investment. The value in use determined for the investment as the recoverable amount is calculated using the discounted cash flow method (DCF method). If the carrying amount is higher than the recoverable amount, an impairment loss is recognised.

The calculation of the value in use according to the DCF method is complex and highly dependent on the company's estimates and judgements with regard to the assumptions made. These include, in particular, the estimation of future earnings trends and long-term growth rates as well as the determination of the capitalisation interest rates.

There is a risk for the consolidated financial statements that the investment in the SEC is incorrectly valued. There is also a risk that the related disclosures in the notes are not appropriate.

OUR APPROACH TO THE AUDIT

With the involvement of our valuation specialists, we assessed the appropriateness of the key assumptions and the company's valuation method. To this end, we discussed the expected earnings trends and the assumed long-term growth rates with those responsible for planning. In addition, we reconciled these assumptions with other internally available forecasts and the budget prepared by the Executive Board. The corporate planning underlying the valuation is based on the budget approved by the majority shareholder of SEC, supplemented by the long-term planning prepared by the legal representatives of the company. In addition, we assessed the consistency of the assumptions with external market assessments.

We compared the assumptions and data on which the capitalisation interest rate is based, in particular the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data with the involvement of our valuation specialists.

In order to take account of the existing forecast uncertainty, we examined the effects of possible changes in the capitalisation interest rate and the expected results on the fair value by calculating alternative scenarios and comparing them with the company's valuation results (sensitivity analysis).

In order to assess the methodologically and mathematically appropriate implementation of the valuation method, we verified the valuation performed by the company using our own calculations and analysed deviations.

Finally, we assessed whether the disclosures in the notes on the recoverability of the investment in the SEC are appropriate.

OUR CONCLUSIONS

The procedure underlying the impairment test of the investment is appropriate and in line with the valuation principles. The underlying assumptions and data of the company are appropriate. The related disclosures in the notes are appropriate.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following non-audited components of the summarised reportmanagement:

- the separate summarised non-financial report of the company and the Group, to which reference is made in the combined management report,
- the combined corporate governance statement of the Company and the Group, to which reference is made in the combined management report, and
- the information contained in the combined management report that is not part of the management report and has been labelled as unaudited.

The other information comprises the remaining parts of the annual report. The other information does not include the consolidated financial statements, the audited content of the combined management report and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information referred to above and, in doing so, consider whether the other information

- are materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the summarised management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or error) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the summarised report management.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined report management

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and summarised report management.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined report management in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of accounting estimates and related disclosures made by the .
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the combined report management with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproduction of the consolidated financial statements and the summarised report management prepared for publication purposes in accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the reproduction contained in the provided file "529900X0OMB39EW0OC11-2024-12-31-0-de.zip" (SHA256 hash value: 017b04bf3ce9778847c56154a54acf359022d0d8be133f4b9bcf8bac2cf07b5c) contained in the consolidated financial statements and the combined report management (hereinafter also referred to as "ESEF documents") and prepared for publication purposes comply, in all material respects, with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned provided file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

We our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above mentioned provided file in accordance with § 317 Abs. 3a HGB and the IDW Auditing Standard: Assurance in Accordance with § 317 Abs. 3a HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities under those standards are further described below. Our audit practice has applied the IDW Quality Management Standard: Requirements for Quality Management in the Audit Practice (IDW QMS 1 (09.2022)).

The legal representatives of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined report management in accordance with Section 328 (1) sentence 4 no. 1 HGB and for labelling the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the company's legal representatives is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- we identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documentation in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.
- We assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents fulfils the requirements of Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date for the technical specification for this file.
- We evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined reportmanagement.
- We assess whether the labelling of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Other information pursuant to Article 10 EU-APrVO

We were elected as auditor of the consolidated financial statements by the annual general meeting on 28 June 2024. We were engaged by the chairman of the audit committee on 23 September 2024. We have been the auditor of the consolidated financial statements of Schweizer Electronic Aktiengesellschaft without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Other matters – utilisation of the audit opinion

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be filed in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Note on supplementary audit

We issue this auditor's report on the consolidated financial statements and the combined management report as well as on the electronic reproduction of the consolidated financial statements and the combined management report for the first time presented for audit in the file "529900X0OMB39EW0OC11-2024-12-31-0-de.zip" (SHA256 hash value: 017b04bf3ce9778847c56154a54acf359022d0d8be133f4b9bcf8bac2cf07b5c) and prepared for disclosure purposes based on our statutory audit completed on 22 April 2025 and our supplementary audit completed on 28 April 2025, which related to the first-time submission of the ESEF documents.

Responsible auditor

The German Public Auditor responsible for the engagement is Mathias Laubert.

Freiburg im Breisgau, 22 April 2025/limited to the changes mentioned in the note to the supplementary audit: 28 April 2025

KPMG AG
auditing company

Laubert
Auditor

Armbruster
Auditor

DECLARATION BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report, that is combined with the management report of Schweizer Electronic AG, 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.

Schramberg, 16 April 2025

The Executive Board


Nicolas Fabian Schweizer


Marc Bunz


Thomas Gottwald



CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE STATEMENT

The principles of responsible and good corporate governance determine the actions of the management and supervisory bodies of the SCHWEIZER Group and Schweizer Electronic AG. The declaration on corporate governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) is part of the summarised management report.

Schweizer Electronic AG is a stock corporation under German law and therefore has a dual management system consisting of a Executive Board and a Supervisory Board.

The Executive Board of Schweizer Electronic AG and the management of the Group subsidiaries manage the companies in accordance with the statutory provisions, the articles of association and the rules of procedure.

The Supervisory Board monitors, advises and supports the Executive Board in its activities. The rules of procedure of both bodies regulate their cooperation, among other things. The German Corporate Governance Code establishes a standard for the transparent control and management of companies that is orientated towards the interests of shareholders in particular.

1. DECLARATION OF COMPLIANCE IN ACCORDANCE WITH SECTION 161 GERMAN STOCK CORPORATION ACT (AKTG)

The declarations of conformity of Schweizer Electronic AG have been made available to all interested parties on the company's website at <https://schweizer.ag/investoren-und-medien/corporate-governance/entsprechenserklaerungen>.

The Executive Board and Supervisory Board of Schweizer Electronic AG have adopted the following declaration pursuant to Section 161 AktG as of 9 December 2024:

DECLARATION OF COMPLIANCE IN ACCORDANCE WITH SECTION 161 AKTG (AS AT DECEMBER 2024)

The Executive Board and Supervisory Board of Schweizer Electronic AG (hereinafter also referred to as the "company") issue the following declaration of conformity in accordance with Section 161 AktG with regard to the recommendations of the "Government Commission on the German Corporate Governance Code" and will ensure its publication on the company's homepage. The Executive Board and Supervisory Board of Schweizer Electronic AG issued the last declaration of conformity in accordance with Section 161 AktG in December 2023. The following declaration refers to the recommendations of the Code in its version dated 28 April 2022, which was published in the Federal Gazette on 27 June 2022 (2022 version).

The Executive Board and Supervisory Board of Schweizer Electronic AG declare that since the last declaration of conformity was issued in December 2023, the recommendations of the Code have been and are being complied with, with the following exceptions:

B.5: The Code recommends setting an age limit for members of the Executive Board and stating this in the declaration on corporate governance (recommendation B.5 of the Code). This recommendation has not been and will not be complied with. The

Executive Board and Supervisory Board do not consider it appropriate to set a general age limit for members of the Executive Board. Competence, expertise and experience are more important and should be assessed independently of age.

C.2: C.2 of the Code recommends that an age limit be set for members of the Supervisory Board and stated in the corporate governance declaration. This recommendation has not been and will not be complied with. The Supervisory Board does not consider it appropriate to set a general age limit for members of the Supervisory Board. Rather, competence, expertise and experience, which are to be assessed independently of age, are decisive.

C.12: According to recommendation C.12 of the Code, members of the Supervisory Board should not hold a directorship or advisory function at a major competitor of the company and should not have a personal relationship with a major competitor. This recommendation is not fully complied with, as one member of the Supervisory Board holds a board position at another PCB manufacturing company that could be considered a major competitor of SCHWEIZER.

C.13: C.13 of the Code recommends that the Supervisory Board should disclose the personal and business relationships of each candidate with the company, the executive bodies of the company and a shareholder with a material interest in the company when proposing candidates to the Annual General Meeting. This recommendation has not been and will not be complied with, as the Supervisory Board is of the opinion that the requirements of the Code regarding the duty to report are undefined and unclear in their delimitation. Against this background, corresponding reporting is not considered appropriate.

D.3, D.4: As Dr Stefan Krauss is Chairman of the Supervisory Board and also Chairman of the Audit Committee, the company deviates from recommendation D.3 sentence 5 of the Code.

Furthermore, there is still no nomination committee of the Supervisory Board as recommended by D.4 of the Code. The Supervisory Board does not consider the establishment of such a committee to be appropriate or necessary for a company the size of Schweizer Electronic AG with a Supervisory Board of only six members. The tasks intended for the Nomination Committee and the other tasks of the Supervisory Board can easily be dealt with by the full Supervisory Board, provided they are not assigned to the existing Audit Committee of the Supervisory Board.

In view of the size of the company and the size of the Supervisory Board of Schweizer Electronic AG, the Supervisory Board is of the opinion that the establishment of further committees is not expedient or necessary.

F.2: F.2, 1st half-sentence of the Code recommends that the consolidated financial statements and the Group management report should be publicly accessible within 90 days of the end of the financial year.

This recommendation has not been and will not be complied with. Compliance with the 90-day deadline is not possible due to the time required to prepare the consolidated financial statements and Group management report. However, the consolidated financial statements and Group management report have been and will be published within the statutory period.

G.4: In G.4, the Code recommends that the Supervisory Board, when determining the total remuneration of the individual members of the Executive Board, should take into account the ratio of the remuneration of the Executive Board to the remuneration of senior management and the workforce as a whole and also take this into account in the development over time.

The Supervisory Board did not fully comply with this recommendation. When concluding the Executive Board service contracts, the Supervisory Board ensured

in accordance with the provisions of the German Stock Corporation Act that the total remuneration granted to the Executive Board members did not exceed the usual remuneration without special reasons. However, insofar as the Code specifies this review of the vertical appropriateness of Executive Board remuneration, which is already required under the German Stock Corporation Act, and defines the relevant peer groups for the comparison and the time scale for the comparison in more detail, a deviation is declared in this respect.

The Supervisory Board still considers the requirements of the recommendation to be too vague. In particular, the Supervisory Board lacks concrete indications as to how it should differentiate between upper and lower management and between relevant and irrelevant employees. It is also unclear which time horizon and which perspective should be taken into account in the "development over time". The Supervisory Board is therefore of the opinion that the standards already taken into account when determining Executive Board remuneration are sufficient to ensure appropriate overall remuneration for Executive Board members

G.18: According to recommendation G.18 sentence 2 of the Code, performance-related remuneration promised to members of the Supervisory Board should be geared towards sustainable or long-term corporate development. This recommendation has not been and is not complied with, as the performance-related remuneration promised to the members of the Supervisory Board is linked to the dividend distributed for the respective financial year. The Executive Board and Supervisory Board are of the opinion that linking the performance-related remuneration to the dividend appropriately reflects the responsibility of the Supervisory Board for the sustainable development of the company and that the existing remuneration regulations provide a sufficient incentive for the members of the Supervisory Board to orientate their exercise of office towards the long-term, successful development of the company.

2. REMUNERATION REPORT AND REMUNERATION SYSTEM

The applicable remuneration system for the members of the Executive Board pursuant to Section 87a AktG, which was approved by the Annual General Meeting on 25 June 2021, and the resolution on the remuneration of the Supervisory Board adopted by the Annual General Meeting pursuant to Section 113 para. 3 AktG are available at <https://schweizer.ag/investoren-und-medien/corporate-governance>. The remuneration report and the auditor's report are made available at the same internet address.

3. THE STRUCTURE OF CORPORATE MANAGEMENT AND SUPERVISION

3.1 SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders of Schweizer Electronic AG exercise their rights at the company's Annual General Meeting, which takes place at least once a year. The Annual General Meeting is chaired by the Chairman of the Supervisory Board. Each share has one vote. All shareholders who are entered in the share register and have registered in good time are entitled to participate in the Annual General Meeting. The Annual General Meeting decides on all tasks assigned to it by law, in particular the appropriation of profits, discharge of the Executive Board and Supervisory Board, election of the auditors, capital measures and amendments to the Articles of Association. The company supports shareholders in exercising their rights at the Annual General Meeting. Furthermore, the Investor Relations department is available throughout the year for the exchange of information between the company and shareholders.

SCHWEIZER endeavours to make it as easy as possible for shareholders to participate in the Annual General Meeting. All documents required for participation are published on the Internet. Shareholders can register for the Annual General Meeting in writing or

electronically, exercise their voting rights through an authorised representative or by postal vote, e.g. to the company's proxy. After virtual Annual General Meetings were held in the years 2020 to 2022 due to the COVID-19 pandemic, the Annual General Meeting was held in person again in 2023 and 2024.

3.2 EXECUTIVE BOARD

As the Group's management body, the Executive Board is bound by the interests of the company and is committed to sustainably increasing the value of the company. The Executive Board develops the company's strategic direction, which takes appropriate account of environmental and social objectives in addition to long-term economic goals. The Executive Board discusses and agrees these with the Supervisory Board and ensures that they are implemented. The Executive Board ensures appropriate risk management and controlling within the company. The Executive Board manages the company under its own responsibility.

The Executive Board is responsible for preparing the interim reports, the half-year financial report, the annual and consolidated financial statements and the summarised management report of Schweizer Electronic AG and the Group. Together with the Supervisory Board, it prepares the remuneration report.

It has established an appropriate and effective internal control and risk management system.

The Executive Board also ensures that legal provisions, official regulations and internal company guidelines are adhered to and works towards their observance by the Group companies (compliance). The Executive Board ensures a corporate culture in which reliability, honesty, credibility and integrity are the cornerstones of all actions.

As part of the established risk management system, it not only ensures compliance with existing legal regulations, its guidelines and principles, but also creates an environment in which any risks are identified at an early stage, measures are taken and thus lawful conduct is guaranteed or risks are minimised. Guidelines on antitrust law, insider trading regulations, fair competition, foreign trade law and export controls and the prevention of corruption are made available to employees and form part of the company's processes. In addition to the general terms and conditions of purchase, the existing supplier guidelines, supplier evaluations and the Conflict Minerals Policy form the basis for a responsible supply chain. The company has set up a whistleblower system to follow up on reports of violations fairly and appropriately. Both employees of SCHWEIZER and external parties can use this system to report violations. The whistleblower system ensures absolute confidentiality when processing reports. Information on the risk management system is described in the summarised management report and published as a separate chapter in the annual report at <https://schweizer.ag/investoren-und-medien>.

Periodic assessments of specific compliance risks are carried out using checklists, necessary measures are taken and verified by certification companies.

Information on the implementation of the CSR Directive Implementation Act is available in the non-financial report as a separate chapter in the annual report and is made available on the website at <https://schweizer.ag/unternehmen/csr>.

The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about all relevant issues relating to strategy, planning, business development, the risk situation, risk management and compliance.

3.2.1 Composition of the Executive Board

The Board has three members. The members of the Executive Board are Mr Nicolas-Fabian Schweizer (appointed until 30 June 2027), Mr Marc Bunz (appointed until 31 March 2028) and, since 1 May 2024, Mr Thomas Gottwald (appointed until 30 April 2027). Further information on initial appointments, areas of responsibility, mandates and CVs of the members of the Executive Board can be found on the company's website at <https://schweizer.ag/unternehmen/organe>.

3.2.2 Target size and diversity for the composition of the Executive Board

In its resolution of 11 April 2022, the Supervisory Board defined the target size and diversity for the composition of the Executive Board. When selecting suitable candidates for the Executive Board, the Supervisory Board has always been and will continue to be guided primarily by the professional and personal suitability of the candidates in question, regardless of gender or age. A blanket age limit, as recommended in the GCGC, is also not envisaged for members of the Executive Board. In the event of an expansion of the Executive Board to more than three members, the Supervisory Board has set itself the goal of filling this position with a woman. The target will apply from 12 April 2022 and is to remain valid until 31 December 2026.

3.2.3 Long-term succession planning for the Executive Board

In accordance with its task of appointing and dismissing members of the Executive Board, the Supervisory Board decides on the composition of the Executive Board. With the support of its Audit Committee, the Supervisory Board works with the Executive Board to ensure long-term succession planning for the Executive Board. In addition to the requirements of the German Stock Corporation Act, the Code and the Supervisory Board's rules of procedure, the criteria defined by the Supervisory Board for the target composition of the Executive Board are taken into account. Taking into account specific qualification requirements and the aforementioned criteria, an appointment profile is drawn up, on the basis of which the Audit Committee prepares a shortlist of available (internal and external) candidates. Structured interviews are

held with these candidates. A recommendation is then submitted to the Supervisory Board for a resolution. If necessary, the support of external consultants is utilised in the development of the requirements profile and the selection of candidates.

When making appointments to the Executive Board, attention is paid to a balanced age structure without setting a fixed age limit.

D&O insurance with a deductible has been taken out for the Executive Board.

3.3 SUPERVISORY BOARD

In accordance with the Articles of Association, the Supervisory Board of Schweizer Electronic AG consists of six members, two of whom are elected by the company's employees in accordance with the provisions of the German One-Third Employee Participation in the Supervisory Board Act (Drittelbeteiligungsgesetz) and the remaining four members are elected by the Annual General Meeting. Elections to the Supervisory Board are regularly held on an individual basis.

The Chairman and Deputy Chairman of the Supervisory Board are elected from among the members of the Supervisory Board.

The Supervisory Board appoints the members of the Executive Board. It monitors and advises the Executive Board on the management of the company. Significant decisions by the Executive Board require the approval of the Supervisory Board. The Supervisory Board meets at least four times a year. The members of the Executive Board attend the meetings of the Supervisory Board unless the Chairman of the Supervisory Board instructs otherwise; however, the Supervisory Board should also meet regularly without the Executive Board. In the 2024 financial year, the meetings of the Supervisory Board and the committee were held as face-to-face meetings with the option to participate in virtual form

The Supervisory Board adopts the annual financial statements and approves the consolidated financial statements. The Audit Committee commissions the auditor and, together with the auditor, determines the focal points of the audit. Further details on its working methods are explained in the report of the Supervisory Board.

The Supervisory Board regularly reviews and assesses its activities on an annual basis using an internal questionnaire. The last review took place in autumn 2024 and covered the following topics in particular: The organisation and working methods of the Supervisory Board and its committee, cooperation with the Executive Board, its monitoring, duties to provide information, the annual financial statements, risk management and the handling of Executive Board matters. The results of the survey were discussed at a meeting of the Supervisory Board. No significant deficits were identified. The Supervisory Board considers its activities and those of its committee to be effective.

The Supervisory Board members disclose any conflicts of interest to the Supervisory Board without delay. The Supervisory Board takes care to avoid potential conflicts of interest when passing resolutions. Further details are presented in the report of the Supervisory Board.

The members of the Supervisory Board are responsible for any necessary training and development measures and are supported in this by the company.

D&O insurance has been taken out for the Supervisory Board.

Audit Committee

The Supervisory Board has an Audit Committee. The Chairman of the committee regularly informs the Supervisory Board of the committee's deliberations and resolutions. The Audit Committee is made up of three shareholder representatives, Dr Stefan Krauss as Chairman, Dr Harald Marquardt and Dr Andreas Schumacher.

Further information on the members of the Supervisory Board and the existing Audit Committee can be found in section 3.3.3 and at <https://schweizer.ag/unternehmen/organe>.

3.3.1 Objectives for the composition, skills profile and diversification concept of the Supervisory Board

In 2022, the Supervisory Board adopted and updated its objectives for its composition, diversity concept and skills profile. Accordingly, the Supervisory Board should be composed in such a way that it can fulfil its legal and statutory duties in the best possible way. This includes ensuring that the Supervisory Board provides qualified monitoring and advice to the Executive Board and that both corporate planning and the risk management system take appropriate account of long-term economic as well as environmental and social objectives. The Supervisory Board and the Audit Committee also deal annually with non-financial reporting in accordance with Sections 289b and 315b of the German Commercial Code (HGB).

Expertise profile of the Supervisory Board

An important aspect of good corporate governance is to ensure that the Supervisory Board is appropriately composed for the company. In accordance with the statutory requirements and the German Corporate Governance Code (GCGC), the Supervisory Board of Schweizer Electronic AG has adopted the following competence profile for the composition of the entire board, which is regularly reviewed and adjusted. According to this, the Supervisory Board should be composed in such a way that it can fulfil its legal and statutory duties in the best possible way. This includes ensuring that the Supervisory Board provides qualified monitoring and advice to the Executive Board. When proposing candidates to the Annual General Meeting, the Supervisory Board takes into account the objectives it has set for the composition of the Supervisory Board and endeavours to fulfil this profile of skills and expertise; in addition, the objectives of the diversity concept for the Supervisory Board are also taken into account.

Objectives of the profile of skills and expertise

Based on their knowledge, skills and experience, the candidates proposed for election to the Supervisory Board should be able to fulfil the duties of a Supervisory Board member in an internationally active company and uphold the company's reputation in public.

The aim is to ensure that the Supervisory Board as a whole has all the knowledge and experience that is considered essential in view of SCHWEIZER'S activities and business areas. With its competence profile, the Supervisory Board defines requirements both for the personality of each individual member of the Supervisory Board and for the expertise of the Board as a whole.

Requirements for the individual members of the Supervisory Board

Personal requirements

When proposing candidates for election, particular attention should be paid to the **independence, loyalty, mandate limitation, availability and professionalism** of the persons proposed for election.

Expertise of the Supervisory Board

The Supervisory Board should cover the following areas of expertise. However, not every member of the Supervisory Board needs to have all of these competences. Rather, the totality of knowledge, skills and professional experience should be understood as the sum of all individual knowledge, skills and experience of the individual Supervisory Board members.

Area of expertise	Requirements profile
Strategy	Experience and knowledge of corporate strategy development and strategy processes
Management	Experience and knowledge in the management of an industrial company
Technology	Experience and knowledge in the field of printed circuit board technology, -production or related industries and their procurement markets
Internationality	Experience and knowledge of international business activities and related topics (e.g. sales/marketing)
Finance and accounting	Knowledge and experience in the areas of accounting and auditing ¹⁾ and sustainability reporting and its auditing
Risk management	Experience and knowledge of risk management and compliance
Sustainability	Expertise in the areas of sustainable corporate governance, environmental social governance (ESG) and corporate social responsibility (CSR)

¹⁾ In accordance with Sections 100 (5) and 107 (4) AktG, at least one member of the Audit Committee must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing the financial statements

In view of the purpose of the company, its size and the proportion of international business activities, the Supervisory Board of Schweizer Electronic AG aims to achieve a composition that takes the following elements into account:

1. At least one Supervisory Board seat for persons who embody the criterion of internationality to a particular degree (for example through a foreign nationality, relevant experience abroad or relevant experience in international business transactions);
2. no more than two Supervisory Board seats for persons who fulfil an advisory or executive function for customers, suppliers, lenders or other business partners of Schweizer Electronic AG; this is intended to limit potential conflicts of interest on the Supervisory Board;

3. at least two Supervisory Board seats on the shareholder side for independent Supervisory Board members as defined by the GCGC;

4. at least one Supervisory Board seat for women.

However, the Supervisory Board does not consider a general age limit for Supervisory Board members to be appropriate. Instead, competence, expertise and experience, which are assessed independently of age, are decisive. This target shall apply from 12 April 2022 until 31 December 2026.

3.3.2 Implementation of the targets for the composition of the entire Board

With the exception of points 2 and 4, the composition of the Supervisory Board fulfils the targets for its intended composition. The objective stated in point 2 is that no more than two Supervisory Board seats should be reserved for persons who fulfil an advisory or executive function for customers, suppliers, lenders or other business partners of Schweizer Electronic AG; this is intended to limit potential conflicts of interest on the Supervisory Board. Currently, three members of the Supervisory Board are either in an advisory function for SCHWEIZER or in an executive function for a customer or supplier. Dr Stefan Krauss advises Schweizer Electronic AG on labour law matters. The legal requirements to be observed and the relevant case law on the separation of advisory functions as a service provider and member of the Supervisory Board have been and are always taken into account. As Chairman of the Executive Board of Marquardt Management SE (until 31 December 2024), Dr Harald Marquardt holds a board position at a customer. The scope of business with Marquardt Group companies is not considered material for either SCHWEIZER or the Marquardt Group. As President of WUS Printed Circuit (Kunshan) Co., Ltd., Mr Chris Wu holds a board function at a supplier and shareholder of Schweizer Electronic AG. Furthermore, Mr Chris Wu is the Chairman of the Board of Schweizer Electronic (Jiangsu) Co, Ltd, China, in which Schweizer Electronic AG holds a 16 percent stake as at 31 December 2024. When decisions are made by the Supervisory Board, attention is always paid

to possible conflicts of interest and appropriate precautions are taken.

The Supervisory Board as a whole has the professional and personal qualifications deemed necessary and is familiar with SCHWEIZER'S business areas. Diversity has been achieved on the Supervisory Board with the exception of point 4 of its target composition. The target of filling one Supervisory Board seat with a woman by 31 December 2026 was met in the period from the Annual General Meeting in 2017 to the Annual General Meeting in 2024. At the end of the Annual General Meeting on 28 June 2024, the employee representative on the Supervisory Board, Ms Petra Gaiselmann, left the body. The new employee representative on the Supervisory Board is Mr Markus Kretschmann. The composition of the Supervisory Board as at 31 December 2024 is shown in the following matrix.

Competency matrix:

The Supervisory Board of Schweizer Electronic AG has drawn up the following overview based on its target composition:

		Dr Stefan Krauss	Dr Harald Marquardt	Dr Andreas Schumacher	Chris Wu	Jürgen Kammerer¹⁾	Markus Kretschmann¹⁾
Length of membership	Member since	2021	2022	2023	2017	2019	since 28 June 2024
Personal suitability	Independence ability ²⁾	✓	✓	✓	✓	✓	✓
	Mandate restriction	✓	✓	✓		✓	✓
Diversity	Gender	male	male	male	male	male	male
	Activity / -field	Lawyer	Chairman of the Executive Board	Executive Vice President Strategy, Mergers & Acquisitions	President & CEO	Operations	Operations
Expertise	Strategy and Management	✓	✓	✓	✓		
	Technology		✓	✓	✓	✓	✓
	Internationality		✓	✓	✓		
	Finance and accounting	✓	✓	✓			
	Risk management	✓	✓	✓	✓		
	Sustainability		✓	✓	✓		

¹⁾ Employee representative

²⁾ in accordance with the GCGC or, in exceptional cases, as justified by the company

✓ based on annual self-assessment by the Supervisory Board. A tick means at least good knowledge (4) on a scale from 5 (very good) to 1 (no knowledge)

3.3.3 Members of the Supervisory Board and mandates of Supervisory Board members

Name	Current occupation	Date of birth	Member since	Appointed until ¹⁾	Membership in Statutory supervisory domestic or foreign supervisory bodies of commercial enterprises (as at 31 December 2024)
Dr Stefan Krauss Chairman of the Supervisory Board Chairman of the Audit Committee	Lawyer Business lawyer / Specialist lawyer for labour law	24.11.1964	06/2021	2026	-
Dr Harald Marquardt²⁾ Member of the Audit Committee	Chairman of the Executive Board of Marquardt Management SE	08.05.1961	06/2022	2027	-
Dr Andreas Schumacher³⁾ Member of the Audit Committee	Executive Vice President Strategy, Mergers & Acquisitions of Infineon Technologies AG	28.05.1971	06/2023	2029	-
Chris Wu	President of WUS Printed Circuit (Kunshan) Co., Ltd.	20.09.1971	2017	2029	Director of Biggering (BVI) Holdings Co, Ltd. Director of Happy Union Investment Co, Ltd. Chairman of the Board of Schweizer Electronic (Jiangsu) Co, Ltd.
Jürgen Kammerer⁴⁾	Process Technician Mechanics at Schweizer Electronic AG	12.03.1966	2019	2029	-
Markus Kretschmann⁴⁾	Technician Technical Services at Schweizer Electronic AG	21.01.1978	since 06/2024	2029	-
Petra Gaiselmann⁴⁾	Employee in the personnel department at Schweizer Electronic AG	22.06.1971	2019	until 06/2024	-

¹⁾ The term of office generally ends at the end of the (respective) Annual General Meeting

²⁾ Deputy Chairman of the Supervisory Board and Audit Committee since 27 June 2023

³⁾ Member of the Supervisory Board and Audit Committee since 27 June 2023

⁴⁾ Employee representative

4. TARGETS AND IMPLEMENTATION FOR THE PROPORTION OF WOMEN ON THE SUPERVISORY BOARD, EXECUTIVE BOARD AND MANAGEMENT LEVEL

The "Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector" stipulates a minimum quota of 30 per cent for women and men (so-called gender quota) on the supervisory boards of companies that are listed on the stock exchange and subject to equal co-determination. For companies such as Schweizer Electronic AG, which are listed on the stock exchange or subject to co-determination (also in accordance with the One-Third Participation Act), the obligation was created to set their own targets for the proportion of women on the Supervisory Board, Executive Board and in the two top management levels. In doing so, the company must take into account a prohibition of deterioration.

Since 1 July 2017, the Supervisory Board has set itself the target for the proportion of women on the Supervisory Board that at least one Supervisory Board seat should be filled by a woman. At the time the new target was set, there were no women on the Supervisory Board. This target was extended until 31 December 2026. The Supervisory Board had set a target of zero for the proportion of women on the Executive Board for the period from 1 July 2017 to 30 June 2022. When this target was set, there were no women on the Executive Board. With the new target valid from 12 April 2022 to 31 December 2026, the Supervisory Board has set itself the goal that, in the event of an expansion of the Executive Board to more than three members, the position to be filled must be held by a woman. Further information on the determination of the target size and diversity for the composition of the Executive Board can be found in the "Executive Board" section of this declaration.

Since 1 July 2017, the Executive Board has set a target for the proportion of women at the key management level below the Executive Board. This target was extended until 31 December 2026 and stipulates that at least one position should be filled by

a woman. The second management level below the Executive Board named in the law is not defined as such at SCHWEIZER. For this reason, the target figure relates to the key management level. At the time the new target was set, the key management level below the Executive Board consisted of employees who report directly to the Executive Board and comprised a total of eleven people. When the new target was set, there were no women at this management level.

In the current composition, the agreed targets for the proportion of women on the Executive Board and the key management level were achieved. The agreed target for the composition of the Supervisory Board was met in the period between the Annual General Meeting in 2017 and the Annual General Meeting in 2024. Further information on this can be found in section "Supervisory Board", point 3.3.2 of this declaration.

5. ACCOUNTING AND AUDIT OF THE FINANCIAL STATEMENTS

Since the 2015 financial year, consolidated financial statements have been prepared in accordance with IFRS guidelines. The annual financial statements of Schweizer Electronic AG are prepared in accordance with HGB regulations. The consolidated and annual financial statements are prepared by the Executive Board, audited by the auditor and approved and adopted by the Supervisory Board. The consolidated and annual financial statements are published within four months of the end of the financial year.

It has been agreed with the auditor, KPMG AG, Wirtschaftsprüfungsgesellschaft, Freiburg im Breisgau branch, that the Chairman of the Supervisory Board or Audit Committee will be informed immediately of any significant issues that arise during the audit. The auditor reports immediately to the Chairman of the Supervisory Board or the Audit Committee on all issues and events arising during the audit that are material to the Supervisory Board's duties. Furthermore, the Chairman is informed if the auditor discovers facts that indicate an inaccuracy in the declaration of compliance issued by the Executive Board and Supervisory Board in accordance with Section 161 AktG. The auditor personally attends the meeting of the Audit Committee that discusses the consolidated and annual financial statements and the Supervisory Board meeting at which the consolidated and annual financial statements are approved and adopted.

6. TRANSPARENCY

SCHWEIZER attaches great importance to providing standardised, comprehensive and prompt information. Reporting on the business situation and results takes place in the annual report, in conference calls, in interim reports and in the half-year financial report.

Information is also provided in press releases and ad hoc announcements. All reports and announcements are available at <https://schweizer.ag/investoren-und-medien>. The Investor Relations department is also available to answer questions throughout the year.

7. ACQUISITION OR SALE OF SHARES IN THE COMPANY

In accordance with Article 19 of the Market Abuse Regulation (EU) No. 596/2014, members of the Executive Board and Supervisory Board are legally obliged to disclose the purchase or sale of shares in Schweizer Electronic AG or related derivatives or other related financial instruments if the value of the transactions carried out by the member concerned and related parties reaches a total volume of EUR 20,000 within a calendar year. The transactions reported to Schweizer Electronic AG in the past financial year were duly published and are available on the company's website at <https://schweizer.ag/investoren-und-medien/corporate-governance/managers-transactions> .

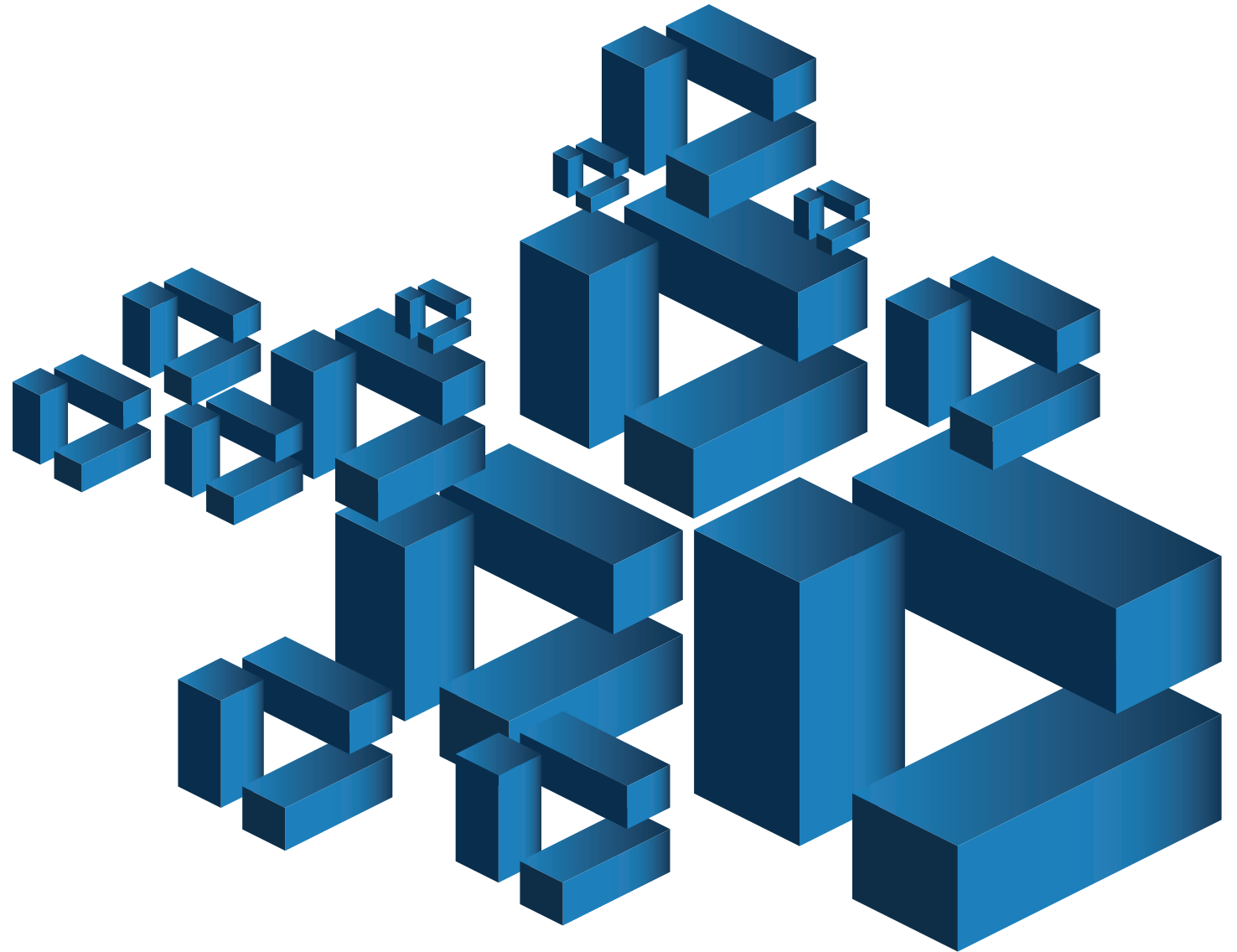
Schramberg, 22. April 2025

The Executive Board

The Supervisory Board

Nicolas-Fabian Schweizer
Chairman of the Executive Board

Dr Stefan Krauss
Chairman of the Supervisory Board





REMUNERA- TION REPORT

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FINANCIAL GLOSSARY

AKTG

Abbreviation for the “Aktiengesetz”, which is the German Stock Corporation Act.

INCOMING ORDERS

Total value of all orders (reduced by cancellations) received by the company from its customers in the corresponding accounting period.

CASH FLOW

Any excess of receipts over payments for a company, which is variably determined depending on the size of the payments under consideration.

CORPORATE GOVERNANCE

Refers to the responsible management and control of a company, aligned towards long-term value creation. The German Corporate Governance Code Governmental Commission compiles the relevant standards and integrates them in the Corporate Governance Code.

D&O INSURANCE

Abbreviation for director and officers insurance. D&O insurance is professional liability insurance for bodies, such as management and supervisory boards, and executive employees.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to insure against and minimise interest rate and/or currency risks due to fluctuations in the exchange rate or market interest rate.

EBIT

Abbreviation for earnings before interest and taxes and/or EBITDA ./. Depreciation of tangible and intangible assets.

EBITDA

Abbreviation for earnings before interest, taxes, depreciation and amortisation or operating results before financial result, taxes and depreciation.

EQUITY RATIO

Calculated as the ratio of total equity to total assets.

EPS

Abbreviation for earnings per share, calculated by dividing the annual net income of the company by the number of shares.

FREE FLOAT

Proportion of the share capital not in the permanent possession of specific shareholders, but that are in free float.

GENERAL STANDARD

One of the three levels of transparency that companies can choose to have listed on the regulated market. Issuers in the general standard fulfil the high transparency standard of the regulated market, without having a specific international orientation. The general standard is primarily suitable for medium and large companies focused primarily on domestic investors.

HGB

Abbreviation for “Handelsgesetzbuch”, which is the German Commercial Code.

INVESTMENT RATIO

The ratio of investments made to generated EBITDA.

IFRS/IAS

Abbreviation for International Financial Reporting Standards. The internationally accepted accounting standards ensure the comparability of consolidated financial statements. The individual standards of the IFRS are referred to as IAS (International Accounting Standards), while the newer standards are referred to as IFRS.

ISIN

Abbreviation for International Security Identification Number. Used to clearly identify securities internationally.

CASH FLOW STATEMENT

Analysis of the development of liquid funds/flow of payments under consideration of the source and use of funds.

CONSOLIDATION

Within the consolidated financial statement, it is necessary to consolidate the shareholding relationships that exist between the Group companies. Here, the carrying amount of the participating interest is offset against the proportionate equity capital amounts of the subsidiaries.

DEFERRED TAXES

Payable or recoverable income taxes that result from the difference between the values stated in the tax and commercial balance sheets.

LTIP

Abbreviation for long-term incentive programme. Variable remuneration component with a long-term incentive effect and risk character in the form of a “share matching” plan.

MSTI

Abbreviation for medium and short-term incentive. Variable remuneration component with a medium and short-term incentive effect.

NET GEARING

Interest-bearing liabilities after allowing for liquid assets and current financial assets.

NET GEARING RATIO

(Interest-bearing liabilities after allowing for liquid assets and current financial assets) / equity capital.

PREPAYMENTS AND ACCRUED INCOME

Payments that have already been made or received in advance in the reporting period, but relate to a period after the reporting date.

ROCE

Abbreviation for return on capital employed. The ratio of EBIT to long-term capital employed (consisting of equity and long-term debt).

PROVISIONS

Payments or depreciations in value for later periods recognised as expenditure in the accounting period, the level and/or time of which is not fixed on the reporting date, but which is reasonably certain to occur.

COST-OF-SALES METHOD

Procedure for the income statement to determine the success of the relevant period, whereby expenses are split into functional areas (manufacturing, administration, sales). The sales revenue is only set against the manufacturing costs that were responsible for the sales.

WKN

Abbreviation for “Wertpapier-Kenn-Nummer”, the German securities code, which uniquely identifies securities in Germany. In international transactions the German securities code number is replaced by the ISIN.

WORKING CAPITAL

The difference between current assets and current liabilities. This is calculated by deducting current liabilities from current assets (excluding cash and cash equivalents).

TECHNOLOGY GLOSSARY

EMBEDDING TECHNOLOGY

Technology for the integration of active and passive components in PCBs.

ETCHED INLAY

Etched Inlay is an innovative additive technology in the heavy copper segment that unites the advantages of inlay technology and heavy copper.

FR4 FLEX

3D PCB with a bending radius of up to 180°.

HDI

With High Density Interconnect (HDI) technology, higher packing densities can be realised for electronic components. HDI PCBs offer finer conducting structures and smaller plated through holes.

HIGH-FREQUENCY APPLICATION

In this case, in the 24 GHz and 77 GHz range. These are radar applications in vehicles.

INLAY

For an Inlay Board, copper inlay parts are used. These are organically connected with the PCB using a lamination process, and so become integral parts of the PCB.

POWER ELECTRONICS

The conduction of high currents and/or heat dissipation.

POWER SEMICONDUCTOR

Power semiconductors offer almost unlimited freedom in shaping the flow of electrical energy. Their advantage is that they can switch extremely fast – typically within a split second – between the “open” and “closed” states. Due to the rapid succession of on/off pulses, almost any form of energy flow can be simulated.

PCB

Printed circuit board – a carrier for electronic components. PCBs are used to link active, passive and electromechanical components as well as connectors. Depending on the technological requirements, PCBs are available in a variety of formats. They offer a wide range of technological possibilities, which can be combined with each other, according to the modular principle.

MULTILAYER

Multilayer printed circuit boards are rigid, multilayer printed circuit boards that can contain plated and non-plated through hole and blind & buried vias.

POWER TECHNOLOGY (POWER ELECTRONICS)

In order to reduce fuel consumption and CO₂ emissions and increase safety and driving comfort, more and more electricity must be switched and heat dissipated. Printed circuit board solutions for power electronics meet these challenges in electric mobility, energy generation and energy distribution.

(SMART) p² PACK TECHNOLOGY

Innovative technology for manufacturing power electronics, with integrated power semiconductors.

LEGAL NOTICE

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

In this report, Schweizer Electronic (Jiangsu) Co., Ltd. is also referred to as SCHWEIZER China.

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.

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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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