

2023

## Cicor Technologies Ltd. Interim Report

cicor

# Key Figures

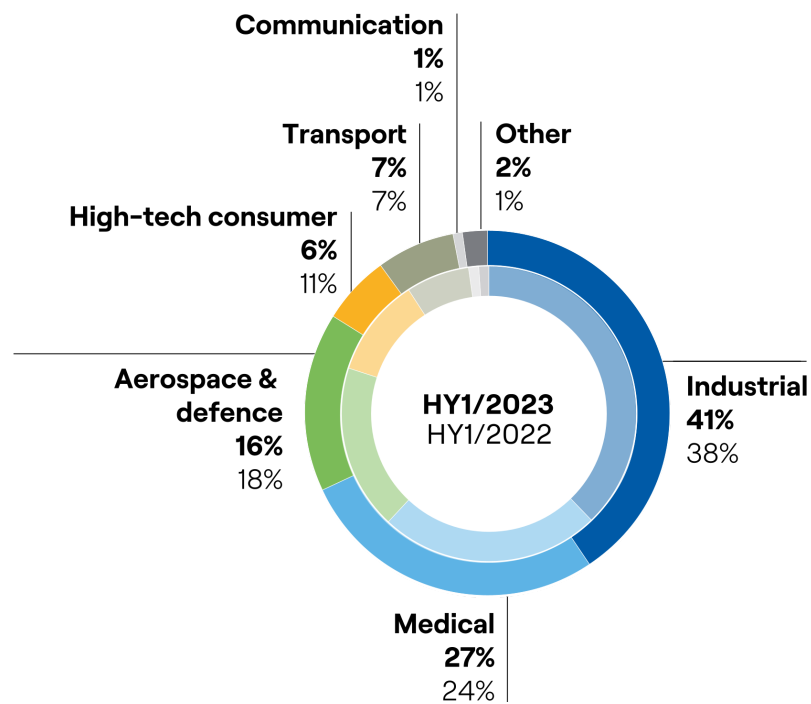
## Cicor Group Income Statement

in CHF 1 000	1.1. – 30.06.2023	in %	1.1. – 30.06.2022	in %
Order entry	221 399	111.2	181 775	115.2
<b>Net sales</b>	<b>199 152</b>	<b>100.0</b>	<b>157 747</b>	<b>100.0</b>
Change to previous year (%)	26.2		35.2	
Organic growth (%) <sup>1)</sup>	9.5		17.1	
<b>EBITDA</b>	<b>21 336</b>	<b>10.7</b>	<b>15 029</b>	<b>9.5</b>
Change to previous year (%)	42.0		29.5	
<b>Core EBIT<sup>2)</sup></b>	<b>15 215</b>	<b>7.6</b>	<b>9 663</b>	<b>6.1</b>
<b>Operating profit (EBIT)</b>	<b>10 538</b>	<b>5.3</b>	<b>5 151</b>	<b>3.3</b>
<b>Core net profit<sup>2)</sup></b>	<b>9 226</b>	<b>4.6</b>	<b>4 948</b>	<b>3.1</b>
<b>Net profit</b>	<b>4 894</b>	<b>2.5</b>	<b>812</b>	<b>0.5</b>
Core earnings per share (in CHF) <sup>2)</sup>	2.08		1.43	
Earnings per share (in CHF)	1.10		0.23	
Number of employees (FTEs as per 30 June)	2 530		2 238	
Capex for tangible assets	4 572		4 331	

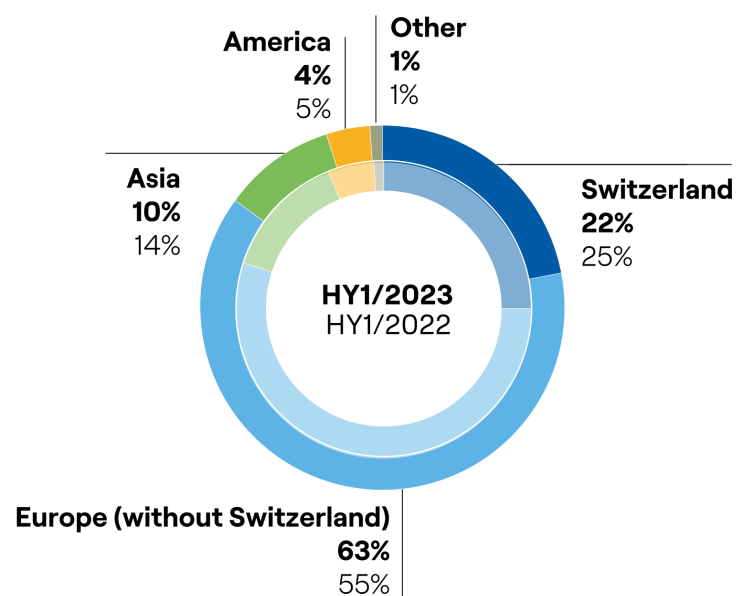
<sup>1)</sup> Change in local currencies, adjusted for acquisitions.

<sup>2)</sup> Refer to note 2 for the definition of Core results.

## Sales by industry



## Sales by region



## Divisional Income Statement

in CHF 1 000	1.1. – 30.06.2023	in %	1.1. – 30.06.2022	in %
Net sales EMS Division	178 997	100.0	135 086	100.0
EBITDA EMS Division	20 439	11.4	13 814	10.2
Net sales AS Division	20 638	100.0	23 322	100.0
EBITDA AS Division	2 433	11.8	3 086	13.2

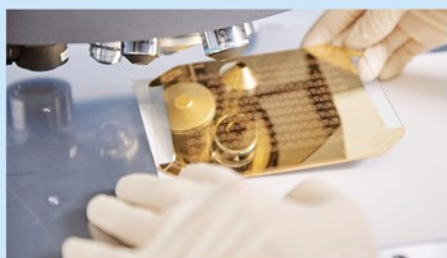
## Cicor Group Balance Sheet

in CHF 1 000	30.06.2023	in %	31.12.2022	in %
Non-current assets	118 286	29.2	115 313	31.4
Current assets	286 407	70.8	251 422	68.6
<b>Total assets</b>	<b>404 693</b>	<b>100.0</b>	<b>366 735</b>	<b>100.0</b>
Equity	153 796	38.0	148 891	40.6
Financial liabilities	-127 127	-31.4	-120 013	-32.7
Cash and cash equivalents	64 169	15.9	75 491	20.6
<b>Net debt</b>	<b>-62 958</b>	<b>-15.6</b>	<b>-44 522</b>	<b>-12.1</b>
Gearing ratio (net debt in % of equity)	40.9		29.9	
Operating inventories <sup>1)</sup>	121 404	30.0	101 125	27.6
Operating trade receivables <sup>1)</sup>	64 702	16.0	49 226	13.4
Operating trade payables <sup>1)</sup>	-54 634	-13.5	-39 221	-10.7
<b>Operating net working capital</b>	<b>131 472</b>	<b>32.5</b>	<b>111 130</b>	<b>30.3</b>
in % of LTM net sales <sup>2)</sup>	35.3		34.8	

<sup>1)</sup> Refer to note 2 for the definition of Operating net working capital.

<sup>2)</sup> Acquisitions are included for full twelve months pro-forma





# Management Report

## Dear Shareholders

Cicor continued on its growth path in the first half of 2023 and further increased its operating margin. Net sales grew by 26.2% year-on-year to CHF 199.2 million in the first half of 2023 (1st half 2022: CHF 157.7 million). EBITDA increased by 42% to CHF 21.3 million (1st half 2022: CHF 15.0 million), representing a margin of 10.7% (1st half 2022: 9.5%). The outlook for the second half of the year remains positive, supported by an order intake of CHF 221.4 million (1st half 2022: CHF 181.8 million), corresponding to a ratio of new orders to sales of 1.1.



Daniel Frutig and Alexander Hagemann

Cicor's strategic focus on the markets of industrial electronics, medical technology and aerospace & defence continues to deliver results. Robust demand from customers supported Cicor's growth in the reporting period. As a result, organic growth in local currencies was 9.5%. Acquisitions contributed with 20.2% to growth, while the continued appreciation of the Swiss franc had a negative impact of -3.4% on sales.

Order intake increased significantly thanks to the demand of both existing and newly acquired customers. In the current economic environment, we consider the order growth of 21.8% and the book-to-bill ratio, which remains well above 1, as a clear sign of Cicor's strength in the market for sophisticated development and manufacturing services for high-end electronics.

## “Continued growth momentum with record profitability”

The increase in the EBITDA margin by 1.2 percentage points year-on-year to 10.7% is also the result of the continued focus on the strategic markets, which contributed 84% to total revenue in the first half of the year (1st half 2022: 80%). The operating margin was also supported by a significant reduction in brokerage costs, which are passed on to customers without a significant mark-up. This impact had still diluted margins in the prior-year period. In line with its strategy, Cicor is growing in businesses with low asset intensity. This has led to a 1.5 percentage point increase in Core EBIT margin to 7.6% and Core EBIT growth of 57.5% to CHF 15.2 million (1st half 2022: CHF 9.7 million, 6.1% margin). Core net profit increased by 86.5% to CHF 9.2 million (1st half 2022: CHF 4.9 million).

The shortage in the supply of materials has partially eased, enabling a reduction in inventories. A key focus of Cicor's management is on reducing net working capital. As a result of the initial successes of these efforts, free cash flow (before acquisitions) improved to CHF 5.2 million in the reporting period (1st half of 2022: CHF -21.8 million).

## EMS Division

With a sales growth of 32.5% to CHF 179.0 million (1st half 2022: CHF 135.1 million), Cicor continues to pursue its growth strategy. In addition to organic growth (13.0% adjusted for currency effects), the newly acquired companies in Germany contributed to this result. Both SMT Elektronik (now Cicor Deutschland), which was consolidated for only two months in the same period of 2022, and the EMS operations acquired from Phoenix Mecano (now Cicor Digital Elektronik) on January 1, 2023, performed very satisfactorily. On the other hand, the strong Swiss franc and lower brokerage costs, which were passed on to customers, had a slowing effect. In the previous year, broker costs had been more than CHF 1 million per month. This has fallen by around 60% in this reporting period.

The integration of the new Cicor companies in Germany is progressing as planned. Together with RHe Microsystems, Cicor has now created an EMS business in Germany with locally generated sales of around EUR 100 million annually. This makes Cicor one of the most important EMS providers in Europe's largest electronics market, with a clear focus on core markets.

The division's EBITDA margin reached a new record level of 11.4% (1st half 2022: 10.2%), driven by a further improved product mix, higher production capacity utilization, an underproportional increase in overhead costs and a reduction in the dilutive effect of passed on broker costs. As a result, EBITDA increased by 48% to CHF 20.4 million (1st half 2022: CHF 13.8 million).

In Vietnam, a newly acquired production building was opened in close proximity to the existing site. By doubling the floor space to around 12,000 square meters, adding a clean room for the production of miniaturized electronics and investing in a fourth automated PCB assembly line, Cicor is preparing for further growth. Customer commitments have been received for several important new ramp-ups, including the relocation of production volumes from China to Southeast Asia, which will increase Cicor's market share.

## AS Division

The AS Division reported a 11.5% decline in sales to CHF 20.6 million in the first half of the year (1st half 2022: CHF 23.3 million), representing 10.4% of Group sales (1st half 2022: 14.8%). Reduced shipments of printed circuit boards to medical customers and the expiry of a multi-year order for hybrid circuits contributed to the decline in sales. The EBITDA margin decreased to 11.8% (1st half 2022: 13.2%) due to capacity utilization effects.

In the reporting period, Cicor completed the acquisition of the thin-film business of AFT microwave GmbH in Backnang, Germany, as part of an asset deal effective as of March 1, 2023. This acquisition strengthens Cicor's position as a leading supplier of thin-film substrates in the European market.

The AS Division business is expected to develop positively in the second half of the year, as demand for hybrid substrates from a customer in the medical technology sector is forecasted to increase significantly.

## Outlook for the second semester and the full year 2023

The continued growth momentum in order intake and sales leads to higher expectations than previously communicated. Provided that there are no significant changes in the economic and geopolitical environment as well as in exchange rates, Cicor expects to achieve annual sales of CHF 380 to 410 million in 2023 (previous guidance: CHF 360 to 400 million) and an operating result at EBITDA level of CHF 40 to 45 million (previous guidance: EBITDA margin comparable with last year's figure of 10.3 percent).

Cicor intends to continue on its growth path. The focus will remain on the European market for sophisticated development and production services for high-end electronics. Supported by long-term market growth and Cicor's track record in integrating acquired companies, above-average growth rates in sales and operating profit should continue to be achieved in the future.

At the same time, Cicor is making significant efforts to achieve its ESG goals, for example by reducing the energy intensity of its business. To this end, Cicor's managers have included ESG objectives in their performance target agreements.

On behalf of the Board of Directors and the Group Management, we would like to thank everyone who has contributed to the development of Cicor Group in this very dynamic first half the year: our employees as well as our customers, suppliers, shareholders and other partners.

A handwritten signature in black ink, appearing to read 'D. Frutig', with a stylized flourish at the end.

**Daniel Frutig**  
Chairman of the Board of Directors

A handwritten signature in black ink, appearing to read 'A. Hagemann', with a long horizontal stroke at the end.

**Alexander Hagemann**  
CEO

# About Cicor

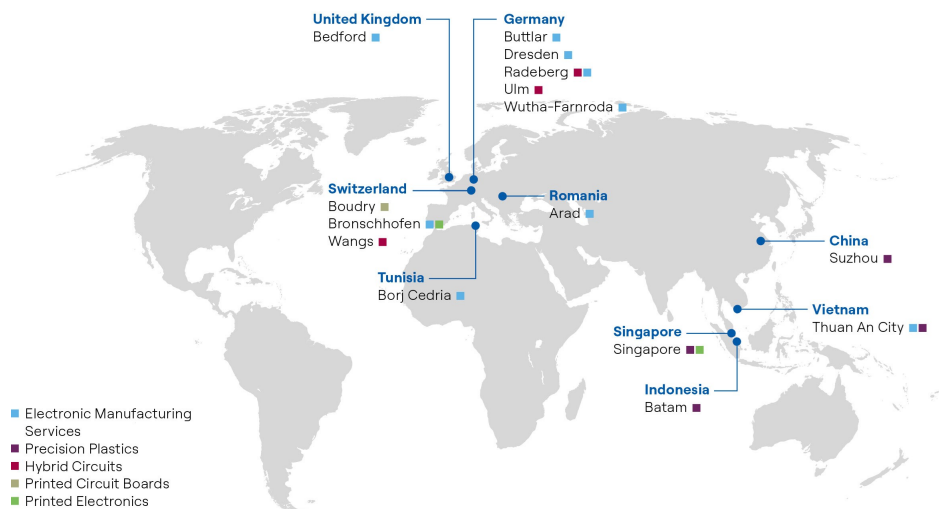
The Cicor Group is a globally active provider of full-cycle electronic solutions from research and development to manufacturing and supply chain management.

Cicor's approximately 2,500 employees at 15 sites are serving leaders from the medical, industrial and aerospace & defence industries. Cicor creates value to its customers through the combination of customer-specific development solutions, high-tech components, as well as electronic device manufacturing.

The shares of Cicor Technologies Ltd. are traded at the SIX Swiss Exchange (CICN).

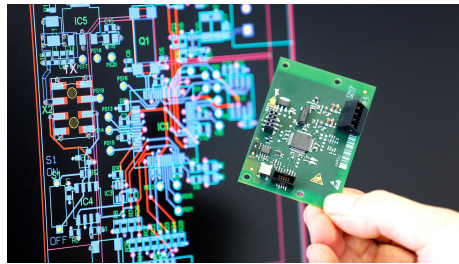
## Global Footprint

Its global presence and proximity to customers is a key success factor for Cicor.



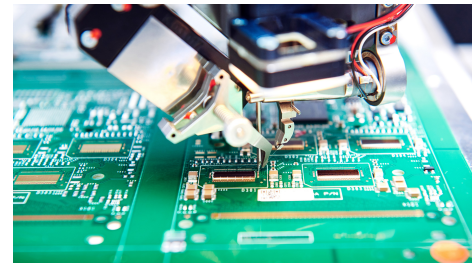


## Services



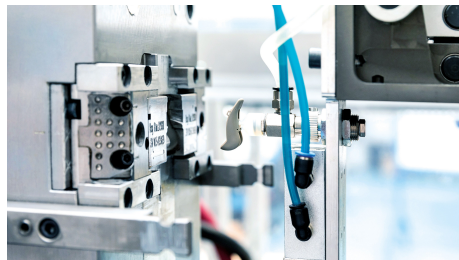
### Engineering Services

At the Cicor Group, more than 200 well-trained engineers work on customer projects and make the engineering department a unique selling point of the company thanks to their interdisciplinary competencies. Using efficient methods and tools, they support Cicor customers in the areas of hardware and software engineering, PCB layout and component selection, test engineering, tool design, printed electronics, and process and quality management throughout the entire product life cycle.



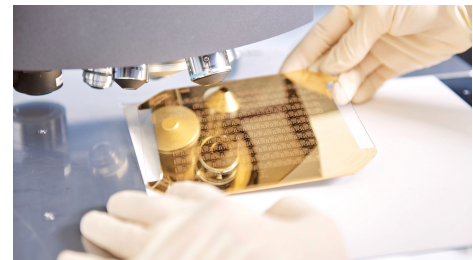
### Electronic Manufacturing Services

Cicor creates added value for its customers by combining customer-specific engineering services and the manufacturing of electronic boards and devices. With a broad manufacturing spectrum in the areas of printed circuit board assembly including microelectronics assembly, cable confection as well as box building, Cicor offers individual outsourcing solutions from the idea to the finished electronic product from a single source.



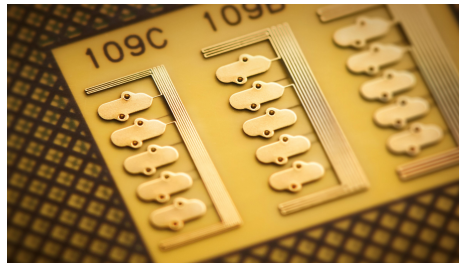
### Precision Plastics

Leading companies in the medical technology and industrial sectors trust in Cicor as a production partner for high-precision plastic injection molded parts and mechanical assemblies. Cicor supports customers with regard to tool design and fabrication through to series production of high-precision plastic parts and complete devices including electronic assemblies. The efficient cooperation of the development engineers with the production departments results in a close exchange of knowledge and technology.



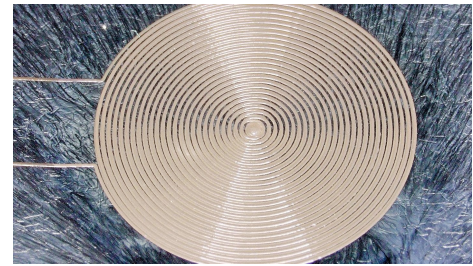
### Hybrid Circuits

Thin-film substrates are used where conventional PCB technologies cannot provide an adequate technical solution. Cicor manufactures rigid and flexible multilayer circuits with highest resolution (10  $\mu\text{m}$ ) on ceramic or organic materials. In thick-film technology, the conductor tracks are applied by screen printing and then burned in. A thick-film circuit is clearly superior to the standard PCB in terms of temperature resistance and service life.



### Printed Circuit Boards

For over 50 years, Cicor has been developing and producing sophisticated flexible, rigid-flexible and rigid printed circuit boards (PCBs). Thanks to a comprehensive expertise in multilayer boards (MLBs) and high-density interconnects (HDIs), Cicor develops innovative and reliable solutions for demanding applications. Thin materials and line width and spacing down to 25 µm enable extreme miniaturization and ultra-HDI advanced solutions. DenciTec® technology opens up completely new possibilities. Innovative circuits can be produced by combining our PCB processes with our thin-film technology.



### Printed Electronics

The unique printing technology used by Cicor enables a wide range of conductive, non-conductive and biocompatible materials to be printed on a wide range of substrates and shapes. Compared to the methods used today to produce such three-dimensional circuit carriers, the technology chosen by Cicor offers a significantly wider variety of printed and printable materials. Devices for medical, aerospace and IoT applications can be significantly reduced in size by using this technology.

## Markets

### Medical Technology

Medical devices are essential for improving healthcare worldwide. Wearables enable people around the world to hear, see and live better. Cicor has been developing and manufacturing medical devices for decades, combining increasingly sophisticated functions in the smallest possible space.

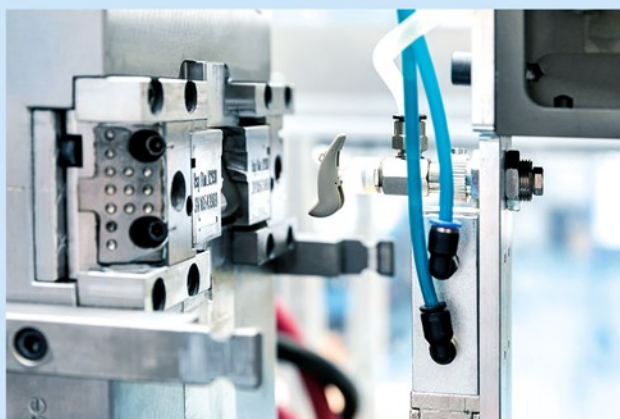
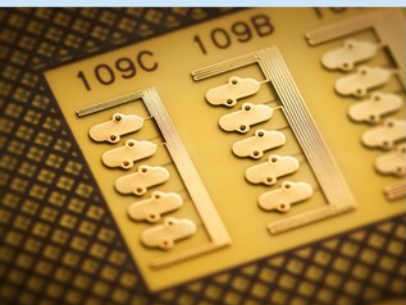
### Industrial

For over 50 years, Cicor has been supporting its customers in the development and production of complex solutions for industrial electronics and building technology products that meet the high demands of today and tomorrow. Thanks to its global footprint, integrated planning systems and flexible logistics models, Cicor is always close to its customers.

### Aerospace and Defence

Highly reliable equipment is crucial for mission and life critical applications. For over 30 years, Cicor has supported strategic international programs and collaborated with market-leading prime and tier one companies.





# Financial Report

# Consolidated Balance Sheet

in CHF 1 000	30.06.2023	in %	31.12.2022	in %
<b>Assets</b>				
Property, plant and equipment	58 419	14.4	53 142	14.5
Intangible assets	55 916	13.8	58 342	15.9
Other non-current assets	543	0.1	545	0.1
Deferred tax assets	3 408	0.8	3 284	0.9
<b>Non-current assets</b>	<b>118 286</b>	<b>29.2</b>	<b>115 313</b>	<b>31.4</b>
Inventories	147 929	36.6	117 364	32.0
Trade accounts receivable	65 932	16.3	50 606	13.8
Other accounts receivable	5 767	1.4	5 558	1.5
Prepaid expenses and accruals	2 610	0.6	2 403	0.7
Cash and cash equivalents	64 169	15.9	75 491	20.6
<b>Current assets</b>	<b>286 407</b>	<b>70.8</b>	<b>251 422</b>	<b>68.6</b>
<b>Total assets</b>	<b>404 693</b>	<b>100.0</b>	<b>366 735</b>	<b>100.0</b>
<b>Liabilities and shareholders' equity</b>				
Share capital	34 112	8.4	34 095	9.3
Mandatory convertible note	59 069	14.6	59 069	16.1
Capital reserves	113 208	28.0	113 162	30.9
Treasury shares	-2 837	-0.7	-2 422	-0.7
Cash flow hedging reserve	-85	-0.0	-58	-0.0
Retained earnings	-33 503	-8.3	-38 916	-10.6
Translation reserve	-16 168	-4.0	-16 039	-4.4
<b>Total equity</b>	<b>153 796</b>	<b>38.0</b>	<b>148 891</b>	<b>40.6</b>
Long-term provisions	4 186	1.0	4 006	1.1
Deferred tax liabilities	7 208	1.8	7 364	2.0
Long-term financial liabilities	111 509	27.6	101 950	27.8
Liabilities for post-employment benefits	1 727	0.4	1 695	0.5
<b>Non-current liabilities</b>	<b>124 630</b>	<b>30.8</b>	<b>115 015</b>	<b>31.4</b>
Short-term financial liabilities	15 618	3.9	18 063	4.9
Trade accounts payable	55 308	13.7	39 539	10.8
Other current liabilities	34 487	8.5	26 436	7.2
Accruals	16 055	4.0	14 903	4.1
Short-term provisions	2 298	0.6	2 013	0.5
Income tax payable	2 501	0.6	1 875	0.5
<b>Current liabilities</b>	<b>126 267</b>	<b>31.2</b>	<b>102 829</b>	<b>28.0</b>
<b>Total liabilities</b>	<b>250 897</b>	<b>62.0</b>	<b>217 844</b>	<b>59.4</b>
<b>Total equity and liabilities</b>	<b>404 693</b>	<b>100.0</b>	<b>366 735</b>	<b>100.0</b>

# Consolidated Income Statement

in CHF 1 000	1.1. - 30.06.2023	in %	1.1. - 30.06.2022	in %
<b>Net Sales</b>	<b>199 152</b>	<b>100.0</b>	<b>157 747</b>	<b>100.0</b>
Change in inventory of finished and unfinished goods	4 811	2.4	1 716	1.1
Material costs	-114 254	-57.4	-87 501	-55.5
Personnel costs	-51 200	-25.7	-42 311	-26.8
Other operating income	644	0.3	200	0.1
Other operating expenses	-17 817	-8.9	-14 822	-9.4
<b>EBITDA</b>	<b>21 336</b>	<b>10.7</b>	<b>15 029</b>	<b>9.5</b>
Depreciation and impairment	-5 765	-2.9	-5 165	-3.3
Amortization and impairment	-5 033	-2.5	-4 713	-3.0
<b>Operating profit (EBIT)</b>	<b>10 538</b>	<b>5.3</b>	<b>5 151</b>	<b>3.3</b>
Financial income	3 135	1.6	2 921	1.9
Financial expenses	-5 734	-2.9	-5 615	-3.6
<b>Profit before tax (EBT)</b>	<b>7 939</b>	<b>4.0</b>	<b>2 457</b>	<b>1.6</b>
Income tax	-3 045	-1.5	-1 645	-1.0
<b>Net profit</b>	<b>4 894</b>	<b>2.5</b>	<b>812</b>	<b>0.5</b>
<b>Earnings per share (in CHF)</b>				
- basic	1.10		0.23	
- diluted	1.10		0.23	

# Consolidated Cash Flow Statement

in CHF 1 000	1.1. - 30.06.2023	1.1. - 30.06.2022
Net profit	4 894	812
Depreciation	5 765	5 165
Amortization	5 033	4 713
Interest income	-150	-3
Interest expenses	1 776	1 328
Tax expenses	3 045	1 645
Change in provisions	130	-292
Change in other non-current assets	-12	-
Other non-cash-items	1 384	575
<b>Subtotal before working capital changes</b>	<b>21 865</b>	<b>13 943</b>
Change in working capital	-7 421	-28 101
Income tax paid	-2 132	-982
Interest paid	-1 582	-1 578
Interest received	138	3
<b>Net cash from / (used in) operating activities</b>	<b>10 868</b>	<b>-16 715</b>
Purchase of property, plant and equipment	-5 512	-5 015
Proceeds from sale of property, plant and equipment	79	59
Purchase of intangible assets	-204	-133
Acquisition of businesses, net of cash acquired	-21 985	-13 984
<b>Net cash used in investing activities</b>	<b>-27 622</b>	<b>-19 073</b>
Purchase / sale of treasury shares	-427	-45
Issuance of mandatory convertible note	-	18 963
Repayment of finance lease liabilities	-242	-260
Proceeds from borrowings short-term	-	1 831
Proceeds from borrowings long term	17 217	2 777
Repayment of borrowings short-term	-11 003	-17 562
<b>Net cash from financing activities</b>	<b>5 545</b>	<b>5 704</b>
Currency translation effects	-113	-550
<b>Net increase in cash and cash equivalents</b>	<b>-11 322</b>	<b>-30 634</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>75 491</b>	<b>68 797</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>64 169</b>	<b>38 163</b>

# Consolidated Statement of Changes in Equity

in CHF 1000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	CF hedging reserve	Retained earnings	Translation reserve	Total equity
<b>Balance at 1 January 2022</b>	<b>30 695</b>	<b>-</b>	<b>109 024</b>	<b>-6</b>	<b>-</b>	<b>-43 156</b>	<b>-7 670</b>	<b>88 887</b>
Net profit	-	-	-	-	-	812	-	812
Share-based payments	-	-	-	47	-	184	-	231
Purchase of treasury shares	-	-	-	-45	-	-	-	-45
Capital increase, creation of reserve shares	3 400	-	-	-3 400	-	-	-	-
Issuance of mandatory convertible note	-	20 000	-	-	-	-	-	20 000
Transaction costs on issuance of mandatory convertible note	-	-1 037	-	-	-	-	-	-1 037
Translation adjustment	-	-	-	-	-	-	-4 442	-4 442
<b>Balance at 30 June 2022</b>	<b>34 095</b>	<b>18 963</b>	<b>109 024</b>	<b>-3 404</b>	<b>-</b>	<b>-42 160</b>	<b>-12 112</b>	<b>104 406</b>

in CHF 1000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	CF hedging reserve	Retained earnings	Translation reserve	Total equity
<b>Balance at 1 January 2023</b>	<b>34 095</b>	<b>59 069</b>	<b>113 162</b>	<b>-2 422</b>	<b>-58</b>	<b>-38 916</b>	<b>-16 039</b>	<b>148 891</b>
Net profit	-	-	-	-	-	4 894	-	4 894
Share-based payments	-	-	-	67	-	527	-	594
Change in Cash Flow Hedging	-	-	-	-	-27	-	-	-27
Purchase of treasury shares	-	-	-	-1 013	-	-	-	-1 013
Sale of treasury shares	-	-	-	594	-	-8	-	586
Capital increase, creation of reserve shares	17	-	46	-63	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-129	-129
<b>Balance at 30 June 2023</b>	<b>34 112</b>	<b>59 069</b>	<b>113 208</b>	<b>-2 837</b>	<b>-85</b>	<b>-33 503</b>	<b>-16 168</b>	<b>153 796</b>

# Notes 1–6

## 1 Principles of consolidation and valuation

These consolidated interim financial statements of the Cicor Group as of 30 June 2023 are prepared in accordance with Swiss GAAP FER 31 “Complementary recommendation for listed companies” (GAAP = Generally Accepted Accounting Principles / FER = Fachempfehlungen zur Rechnungslegung). They do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the Group’s annual report as at 31 December 2022. Furthermore, the accounting complies with the Swiss company law. The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available at [www.cicor.com](http://www.cicor.com) or upon request from the Company’s registered office.

These consolidated interim financial statements were approved by the Board of Directors on 24 July 2023.

When preparing the consolidated interim financial statements, Management is required to make estimates and assumptions. Any alterations to these estimates and assumptions are adjusted in the reporting period in which the estimates and assumptions are changed. Income taxes are calculated based on an estimate of the income tax rate expected for the whole year.

## 2 Definition of non-GAAP measures

Cicor uses the below non-GAAP measures in the financial reporting.

### Core results

The Cicor Group utilizes Core results to assess the operational profit situation of the Group. These results exclude expenses related to the amortization of goodwill and other intangible assets, which were capitalized as part of the purchase price allocation of acquisitions, while also considering any tax implications.

in CHF 1 000	1.1. - 30.06.2023	1.1. - 30.06.2022
Operating profit (EBIT)	10 538	5 151
Amortization of goodwill and intangible assets from acquisition	4 677	4 512
<b>Core EBIT</b>	<b>15 215</b>	<b>9 663</b>
Net profit	4 894	812
Amortization of goodwill and intangible assets from acquisition	4 677	4 512
Tax impact on amortization of intangible assets from acquisitions	-345	-376
<b>Core net profit</b>	<b>9 226</b>	<b>4 948</b>
Average number of shares outstanding and conditional	4 429 695	3 460 189
Core earnings per share (in CHF)	2.08	1.43

### Operating net working capital

The Cicor Group utilizes Operating net working capital as a measure to monitor net working capital. Operating net working capital considers inventories, trade receivables and trade payables, as well as prepayments from customers and to suppliers.

in CHF 1 000	Balance sheet allocation	30.06.2023	30.06.2022
Inventories	Inventories	147 929	117 364
Prepayments to suppliers for inventory	Other accounts receivable	1 185	1 275
Prepayments from customers for inventory	Other current liabilities	-27 710	-17 514
<b>Operating inventory</b>		<b>121 404</b>	<b>101 125</b>
Trade accounts receivable	Trade accounts receivable	65 932	50 606
Prepayments from customers other	Other current liabilities	-1 230	-1 380
<b>Operating accounts receivables</b>		<b>64 702</b>	<b>49 226</b>
Trade accounts payable	Trade accounts payable	-55 308	-39 539
Prepayments to suppliers other	Other accounts receivable	674	318
<b>Operating accounts payables</b>		<b>-54 634</b>	<b>-39 221</b>
<b>Operating net working capital</b>		<b>131 472</b>	<b>111 130</b>

### 3 Segment reporting

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
<b>Income statement</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>
Sales to external customers	178 901	20 251	199 152	-	199 152
Intersegment sales	96	387	483	-483	-
Total sales	178 997	20 638	199 635	-483	199 152
EBITDA	20 439	2 433	22 872	-1 536	21 336
<b>Balance sheet</b>	<b>30.06.2023</b>	<b>30.06.2023</b>	<b>30.06.2023</b>	<b>30.06.2023</b>	<b>30.06.2023</b>
Intangible assets	55 283	633	55 916	-	55 916
Other than intangible assets	300 421	36 330	336 751	12 026	348 777
Total assets	355 704	36 963	392 667	12 026	404 693
Total liabilities	216 682	20 759	237 441	13 456	250 897
<b>Other segment information</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>	<b>1.1. – 30.06.2023</b>
Depreciation, amortization and impairment	9 356	1 442	10 798	-	10 798
Capital expenditures for property, plant and equipment	3 997	575	4 572	-	4 572

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
<b>Income statement</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>
Sales to external customers	134 991	22 756	157 747	-	157 747
Intersegment sales	95	566	661	-661	-
Total sales	135 086	23 322	158 408	-661	157 747
EBITDA	13 814	3 086	16 900	-1 871	15 029
<b>Balance sheet</b>	<b>30.06.2022</b>	<b>30.06.2022</b>	<b>30.06.2022</b>	<b>30.06.2022</b>	<b>30.06.2022</b>
Intangible assets	65 467	-	65 467	270	65 737
Other than intangible assets	224 616	39 488	264 104	531	264 635
Total assets	290 083	39 488	329 571	801	330 372
Total liabilities	147 281	22 847	170 128	55 838	225 966
<b>Other segment information</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>	<b>1.1. – 30.06.2022</b>
Depreciation, amortization and impairment	8 396	1 482	9 878	-	9 878
Capital expenditures for property, plant and equipment	2 805	1 526	4 331	-	4 331

Cicor defines its reportable segments based on the internal reporting to its Board of Directors. They base their strategic and operational decisions on these monthly distributed reports, which include the aggregated financial data for the Group and for the divisions. The two divisions, EMS and AS, have been identified as the two reportable segments.

The Electronic Manufacturing Services (EMS) division provides full-cycle electronic solutions from research and development to manufacturing and supply chain management for customers in the medical, industrial and aerospace and defense



sectors, while the Advanced Substrates (AS) division provides its customers with high-quality printed circuit boards as well as thin-film substrates.

For internal reporting and therefore the segment reporting, the applied principles of accounting and valuation are the same as in the consolidated financial statements. Intersegment sales are recognized at arm's length.

## Sales by region and by industry

in CHF 1 000	1.1. – 30.06.2023	%	1.1. – 30.06.2022	%
Switzerland	43 530	21.9	38 955	24.7
Europe (without Switzerland)	125 738	63.1	86 743	55.0
Asia	20 499	10.3	21 959	13.9
Americas	7 616	3.8	7 926	5.0
Other	1 769	0.9	2 164	1.4
<b>Total</b>	<b>199 152</b>	<b>100.0</b>	<b>157 747</b>	<b>100.0</b>
Industrial	81 668	41.0	60 226	38.2
Medical	54 719	27.5	37 751	23.9
Aerospace & defence	31 150	15.6	28 344	18.0
High-tech consumer	11 969	6.0	18 088	11.5
Transport	14 473	7.3	11 534	7.3
Communication	2 003	1.0	808	0.5
Other	3 170	1.6	996	0.6
<b>Total</b>	<b>199 152</b>	<b>100.0</b>	<b>157 747</b>	<b>100.0</b>

## Major customers

Cicor Group's biggest customer contributed less than 7% (2022: less than 10%) to the Group's consolidated sales.

## 4 Change in Scope of Consolidation

### Acquisitions in 2023

Effective 20 January 2023, Cicor Group acquired 100% of the shares of Phoenix Mecano Digital Elektronik GmbH with two sites in Thuringia (Germany) and Phoenix Mecano Digital Tunisie S.a.r.l. located in Borj-Cedria (Tunisia) for a consideration of EUR 23.6 million (CHF 23.5 million). The German sites were integrated into the organizational unit "Cicor Germany" of the Electronic Manufacturing Services (EMS) Division. The Tunisian site also became part of the global production network of the EMS Division. The preliminary purchase price allocation resulted in Goodwill of TCHF 662 which has been capitalized as part of intangible assets and will be amortized over five years.

Effective 1 March 2023, Cicor Group completed the acquisition of the thin-film business of AFT microwave GmbH, Backnang, Germany, for a consideration of EUR 1.4 million (CHF 1.4 million), as part of an asset deal. Employees, equipment and knowledge of the acquired business was integrated into Cicor's Advanced Substrates division. The preliminary purchase price allocation resulted in Goodwill of TCHF 212, which has been capitalized as part of intangible assets and will be amortized over five years.

Financial information on the two transactions is disclosed in below table.

in CHF 1000	PM <sup>1)</sup>	AFT <sup>2)</sup>	Total
Cash paid	23 498	1 368	24 866
Direct costs related to acquisition	421	157	578
<b>Total purchase considerations</b>	<b>23 919</b>	<b>1 525</b>	<b>25 444</b>
less: Fair value of net assets acquired	-23 258	-1 313	-24 570
<b>Goodwill</b>	<b>662</b>	<b>212</b>	<b>874</b>
Property, plant and equipment	7 113	355	7 467
Intangible assets	146	476	622
Inventories	15 906	524	16 429
Trade accounts receivable	4 397	-	4 397
Other accounts receivable, prep. exp. and accruals	64	-	64
Cash and cash equivalents	3 459	-	3 459
Deferred Tax liabilities	-61	-41	-102
Long-term provisions	-348	-	-348
Short-term financial liabilities	-1 079	-	-1 079
Short-term provisions	-51	-	-51
Trade payables	-2 475	-	-2 475
Other current liabilities and accruals	-3 814	-	-3 814
<b>Total fair value of net assets acquired</b>	<b>23 258</b>	<b>1 313</b>	<b>24 570</b>
Purchase consideration cash	23 919	1 525	25 444
less: cash and cash equivalent acquired	-3 459	-	-3 459
<b>Cash outflow on acquisition during the year</b>	<b>20 461</b>	<b>1 525</b>	<b>21 985</b>

<sup>1)</sup> Acquisition of Cicor Digital Elektronik GmbH, Thuringia (Germany) and Cicor Digital Tunisia, Borj-Cedria (Tunisia) from Phoenix Mecano Group.

<sup>2)</sup> Acquisition of the thin-film business of AFT microwave, Backnang (Germany).

## Acquisitions in 2022

Effective as of 27 April 2022, Cicor Technologies Ltd., Boudry (Switzerland) acquired 100% of the shares of SMT Elektronik GmbH, Dresden (Germany), which reported net assets of CHF 11.8 million. SMT Elektronik GmbH provides electronic manufacturing services predominantly for clients in the medical and industrial industry and is included in the EMS Division.

The acquisition resulted in a Goodwill of TCHF 2 277, which was capitalized as part of the intangible assets and is amortized over five years

# 5 Equity

## Ordinary share capital

Effective as of 20 April 2023, 1 627 new registered shares with a par value of CHF 10.00 each were created from the conditional capital according to Art. 5 bis of the Company's Articles of Association for the remuneration of the Cicor Board of Directors.

The ordinary share capital as of 30 June 2023 consists of 3 411 169 registered shares with a par value of CHF 10.00 each (31 December 2022: 3 409 542 registered shares with a par value of CHF 10.00 each).

## Capital band

At the Annual General Meeting of Shareholders on 18 April 2023, the Shareholders decided to create a capital band with right to exclude preemptive rights according to Art. 5 quarter of the Company's Articles of Association as follows: The lower limit of the capital band is CHF 34 095 420 and the upper limit is CHF 40 914 500. The Board of Directors is authorized until 12 April 2026 to increase the share capital in one or more steps by a maximum of CHF 6 819 080 by issuing a maximum of 681 908 registered shares with a par value of CHF 10.00 each, but not authorized to reduce the share capital. In the event of an increase of the share capital, the new shares must be fully paid up. The Board of directors shall determine the time of issue of new shares, the issue price, the method of payment, the conditions for the exercise of preferential subscriptions rights and the commencement of the dividend entitlement. The Board of Directors may exclude the shareholders preferential subscription rights in whole or in part if certain conditions are met.

## Conditional capital

At the Annual General Meeting of Shareholders on 16 December 2021, the Shareholders decided to create conditional capital according to Art. 5 ter of the company's Articles of Association as follows: The share capital of the Company may be increased by an additional maximum amount of CHF 13 303 750 by issuing up to 1 330 375 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise or compulsory exercise of conversion, exchange, option or similar subscription rights granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations, subscription or similar share subscription rights, granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the Company or one of its subsidiaries.

At the Annual General Meeting of Shareholders on 12 April 2022, the Shareholders decided to extend the conditional capital according to Art. 5 bis of the Company's Articles of Association as follows: The share capital may be conditionally increased by a maximum of CHF 1 200 000 by issuing up to 120 000 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise of option rights granted

to directors, officers, senior executives and employees of the Company or its subsidiaries, according to plans established by the Board of Directors.

1 627 shares were used on 20 April 2023 for the remuneration of the Board of Directors.

### Mandatory convertible note

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20.0 million. The MCN was subject to a reopening clause allowing Cicor to increase the principal amount of the MCN up to a maximum principal amount of CHF 60.2 million within the twelve-months reopening period without prior consent or permission of the holders through the issue of further fungible MCNs fully allocated to its main shareholder OEP, under its agreement to provide Cicor a fully underwritten standby equity facility. On 27 September 2022 Cicor exercised its option to reopen the issuance of the mandatory convertible note in the amount of CHF 40.2 million and to sell these additional notes to OEP.

The conversion price is fixed at CHF 47.50 per share, subject to subsequent adjustments for anti-dilution events. Shares to be delivered upon conversion of a MCN will be new shares to be issued from the conditional capital of the issuer with the same entitlements as the other outstanding shares. No fractions will be delivered to, and no cash payments will be made to the holders. The MCN contains the following early conversion option for holders: Each holder may elect to early convert MCNs during the optional conversion period starting 730 days after issuance up to ten days prior to maturity or following the formal announcement of a take-over bid to Cicor's shareholders during the additional offer period, unless certain thresholds have not been met after the first offer period.

Upon occurrence of certain predefined events, the MCNs will be subject to an accelerated conversion and will be mandatorily converted on the maturity date, unless previously converted under the early conversion options or following an accelerated conversion. In accordance with Cicor's accounting policy for interest-free mandatorily convertible notes, the MCN is classified as an equity instrument in its entirety, as it does not contain any obligations to deliver cash and does not require settlement in a variable number of the Group's equity instruments.

## 6 Subsequent events

There were no events between 30 June 2023 and 24 July 2023 that would require an adjustment to the carrying amounts of assets and liabilities or need to be disclosed under this heading.

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