2024

SEMI-ANNUAL REPORT

KEY SEMI-ANNUAL FIGURES OF THE ADVAL TECH GROUP

CHF million	1st half of 2024	2nd half of 2023	1st half of 2023
Net turnover			
Group	85.3	81.6	88.1
Total income[1]			
Group	90.3	88.1	91.2
EBITDA[1]			
Operating earnings before depreciation	3.5	2.0	3.6
in % of total income	3.8	2.3	4.0
EBIT[1]			
Operating earnings	-1.7	-1.6	-0.1
in % of total income	-1.9	-1.8	-0.1
Net result			
Net result after income taxes	-3.3	-2.0	-1.9
in % of total income	-3.6	-2.3	-2.0
Cash flow and capital expenditure			
Cash flow from operations	-9.7	4.3	0.2
Capital expenditure	-2.7	-3.7	-2.2
Free cash flow[1]	-12.4	0.4	-2.1
Number of employees (full-time equivalents)			
as at balance sheet date	1,090	1,151	1,166

[1] Alternative Performance Measure, see definitions on page 22.

All statements in this report which do not refer to historical facts are statements related to the future which offer no guarantee with regard to future performance; they are subject to risks and uncertainties including, but not confined to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside the company's control.

DEAR SHAREHOLDERS,

ADVAL TECH FACES A DIFFICULT MARKET SITUATION

The Adval Tech Group had to prove itself in an extremely difficult market environment in the first half of 2024. Total income[1)], net sales and EBITDA[1)] were slightly weaker than in the first half of 2023, but better than in the second half of 2023.

Due to weak demand in the automotive industry markets and the discontinuation of a project by an OEM customer, our plants in Germany, Brazil, and Hungary were underutilized in the first half of 2024 and were unable to make a positive contribution to the half-year results. The major projects acquired last year will only have a positive impact on total income from 2025 onwards. This applies both to component orders for the automotive industry, which will be manufactured at the plants in Hungary and Mexico, and to orders from the Medical Technology segment at the Grenchen site in Switzerland. In the first half of 2024, Adval Tech was also on track for growth in this area.

Development of key figures

With total income[1)] of CHF 90.3 million (first half of 2023: CHF 91.2 million, -1.0%), the Adval Tech Group posted EBITDA[1)] of CHF 3.5 million in the first six months of 2024 (first half of 2023: CHF 3.6 million, -4.0%), EBIT[1)] of CHF -1.7 million (first half of 2023: CHF -0.1 million) and a net result of CHF -3.3 million (first half of 2023: CHF -1.9 million).

The Adval Tech Group's **total income[1)]** is broken down as follows:

- Net turnover from the sale of metal and plastic components
- Net turnover from the sale of the related tools for production of components
- Net turnover from the sale of high-speed presses
- Other income (such as proceeds from sale of scrap)
- Own work capitalized and changes in inventories of semi-finished and finished goods

Net turnover from the sale of components, tools, and high-speed presses decreased from CHF 88.1 million in the first half of 2023 to CHF 85.3 million in the first half of 2024 (-3.2%). At 69%, the Adval Tech Group generated most of its net turnover

[1)] Alternative Performance Measure, see definitions on page 22.

in the first half of 2024 with customers in Europe (first half of 2023: 73%). Asian customers accounted for 12% of net turnover (first half of 2023: 10%), Latin American customers for 13% (first half of 2023: 12%) and North American customers for 6% (first half of 2023: 5%).

Capacity utilization at Adval Tech's plants in the first half of 2024 was in line with varying market demand. Structural adjustments are unavoidable, some of which have already been implemented. Greater market penetration is also essential. For this reason, intensive sales and marketing efforts have been initiated.

Profitability

In a difficult environment where it was still not possible to pass on all cost increases, the Adval Tech Group achieved an EBITDA[1)] margin of 3.8% in the first half of 2024 (first half of 2023: 4.0%), an EBIT[1)] margin of -1,9% (first half of 2023: -0,1%) and a net result after income taxes of -3,6% of total income[1)] (first half of 2023 -2,0%).

Investments and current assets

Cash flow from operating activities in the first half of 2024 amounted to CHF -9.7 million (first half of 2023: CHF +0.2 million). The main reason for this is the sharp increase in work in progress for long-term orders for production equipment. These orders are invoiced to customers at the start of series production.

Operating net current assets[1)] (trade accounts receivable, inventories and trade accounts payable) amounted to CHF 55.5 million at the end of June 2024 (December 31, 2023: CHF 40.4 million). In relation to total income[1)], average operating net current assets[1)] remained unchanged at 26.9% as at the end of June 2024 (end of December 2023: 26.9%).

In the first half of 2024, the Adval Tech Group invested CHF 2.7 million in property, plant, and equipment (first half of 2023: CHF 2.2 million). The vast majority of this was for production facilities which will be used for component production from 2025.

Free cash flow[1)] fell from CHF -2.1 million in the first half of 2023 to CHF -12.4 million. This figure is also influenced by investments in work in progress relating to projects that will be invoiced to customers at a later date.

[1)] Alternative Performance Measure, see definitions on page 22.

Market development

In Europe, slightly more cars were sold in the first half of 2024 than in the same period last year. However, growth developed very unevenly. While sales of combustion engine models increased significantly in some cases, fewer electric cars were sold. In Germany in particular, sales of electric vehicles declined after the German government withdrew its purchase incentive. In the first half of the year, gasoline cars were ahead of hybrids, diesel, and battery-electric cars. The increase in the share of electric cars predicted by many experts has therefore not yet materialized. In addition, western car manufacturers are coming under pressure, particularly in the Chinese market. Local manufacturers are by far the market leaders for electric cars in China.

In the first half of 2024, automotive customers reduced their planned call-off volumes, in some cases significantly. Consumer goods customers were also cautious.

In the **Metal** business the Group produces, among other things, brake fenders in Germany, structural parts in Hungary and Brazil, and parts for high-pressure gasoline pumps in Switzerland. In the first half of the year, the sites in Germany and Brazil in particular suffered from lower demand due to the weak market situation. Business with high-speed presses, which Adval Tech develops and produces at its plant in Niederwangen, Switzerland, declined sharply in the first half of the year due to the poor investment climate, after demand had risen slightly in the first half of 2023. The tool business also declined in the first half of 2024.

In the **Plastics** business, for example, the Adval Tech Group produces air flow systems in Mexico, air/water separation systems in Hungary, components for the pharmaceutical industry in Switzerland, plastic housings and brackets in China, and housing parts for medical measuring instruments in Malaysia. In China, where Adval Tech primarily produces locally for the Chinese automotive industry and its suppliers, the Group was able to increase turnover. Further development potential exists here. In Mexico we started series production last year for various orders from the automotive industry. Due to start-up costs, however, the site has not yet been able to make a positive contribution to group earnings. In Hungary, Adval Tech adjusted the structures and reduced costs at the plastics site following the discontinuation of a major project by an OEM customer.

Sustainability

The major automotive manufacturers are increasingly aligning their business activities with the three principles of sustainability: They combine economic performance targets with ecological responsibility and social justice. They also expect this from their suppliers. Economic, ecological, and social sustainability has always been a high priority for Adval Tech. Most of the Group's plants are certified in accordance with the international environmental management standard ISO 14001 – some sites even have additional ISO and IATF certificates.

The Group will follow this path consistently. For example, the plant in Germany is set to achieve climate-neutral production in terms of its own emissions by 2026. In addition, the installation of combined heat and power plants is planned at several locations, which will enable the waste heat from the production facilities to be used to heat the buildings. The Adval Tech Group published an integrated sustainability report for the first time in its 2023 Annual Report.

Employees, Group Executive Management, and Organization

The Adval Tech Group's headcount (full-time equivalents) fell from 1,151 (end of 2023) to 1,090 (end of June 2024) in the first half of 2024. The reduction in headcount is also due to the structural adjustments that have been introduced. However, this reduction did not fully offset the rise in personnel costs, in particular due to increases in base salaries at various locations.

The Board of Directors appointed Volker Brielmann as the new CEO and member of the Group Executive Management of the Adval Tech Group with effect from April 2024. He took over the operational management of the Adval Tech Group from René Rothen, who will remain with the Group as Chairman of the Board of Directors. Adval Tech had already started with a newly formed Group Executive Management at the beginning of the year: two experienced managers, Cordula Hofmann and Jean Bäbler, were appointed to the Group Executive Management. In addition to her role as Head Group Human Resources, Cordula Hofmann has taken over as Head of Corporate Communication. Jean Bäbler, General Manager of Adval Tech (Switzerland) AG and Adval Tech (Grenchen) AG until the end of last year, took over Group responsibility for all engineering and production sites worldwide in the metal field.

Adval Tech is celebrating 100 years of innovation at the Niederwangen plant this year: in 1924 schoolmates Fritz Styner and Rudolf Bienz founded their mechanical workshop in Berne-Bümpliz. They laid the foundation for an entrepreneurial success story and the basis for our plant in Niederwangen.

Outlook

Economic forecasts remain difficult. We do not expect any tailwind from the market in the second half of the year either. Improvements in earnings must primarily be achieved by increasing efficiency. The optimization of resources and processes to reduce costs has begun and will continue in the second half of the year. The Adval Tech Group is refraining from making specific predictions with regard to the annual results. Adval Tech expects a stabilization in liquidity in the second half of 2024.

Market activities are being intensified at locations with low capacity utilization and the plants are being prepared for future projects. We are also continuing discussions with our customers and suppliers in order to be able to pass on cost increases – for personnel, materials, logistics, and energy.

We are sticking to the defined strategy and are aiming to make Adval Tech fit for the future. Speed and agility are becoming increasingly important, especially in the automotive industry, but also in the Medical Technology and consumer goods sectors. We will meet these increasing requirements by making even greater use of synergies across locations and expanding promising business areas in a targeted manner.

We will exploit our locally anchored strengths to a greater extent and incorporate them into our international network. Adval Tech also intends to score points with innovations in the coming years. With further improvements in processes and digitalization, we will also manage our orders even more efficiently, continue to focus 100% on the needs of our customers and flexibly exploit all opportunities that arise.

Niederwangen, August 2024

René Rothen
Chairman of the Board of Directors

Volker Brielmann
Chief Executive Officer

The unaudited semi-annual financial statements of the Adval Tech Group have been prepared in accordance with the accounting principles published in the 2023 Annual Report. In accordance with SWISS GAAP FER 31, this Semi-Annual Report contains shorter presentations and disclosures in comparison with the consolidated annual financial statements and should therefore be read and interpreted in the context of the 2023 Annual Report.

CONSOLIDATED BALANCE SHEET

CHF 1,000	Notes	06/30/2024	12/31/2023
Liquid assets		16,296	27,304
Trade accounts receivable	5	25,791	23,684
Other receivables	6	1,456	2,869
Advance payments to suppliers	7	2,370	1,420
Inventories and work in progress	8	46,472	37,846
Prepaid expenses and accrued income		2,411	1,910
Total current assets		**94,796**	**95,033**
Tangible fixed assets	17	51,551	53,456
Financial assets	9	69	36
Intangible assets		1,453	485
Deferred tax assets		2,653	2,663
Total fixed assets		**55,726**	**56,640**
Total assets		**150,522**	**151,673**
Trade accounts payable	10	11,247	13,605
Short-term interest-bearing liabilities	11	316	96
Other short-term liabilities	12	3,560	5,851
Prepaid income and accrued expenses	13	15,415	11,663
Short-term provisions		256	287
Accrued current income taxes		257	782
Total short-term liabilities		**31,051**	**32,284**
Long-term interest-bearing liabilities	11	2,170	1,313
Long-term provisions		1,879	1,793
Income tax liabilities		1,863	1,812
Total long-term liabilities		**5,912**	**4,918**
Total liabilities		**36,963**	**37,202**
Share capital		14,600	14,600
Capital reserves		92,457	92,457
Treasury shares		0	0
Goodwill offset		-58,776	-58,776
Translation differences		-12,796	-15,151
Retained earnings		78,074	81,341
Total shareholders' equity		**113,559**	**114,471**
Total liabilities and shareholders' equity		**150,522**	**151,673**

The attached explanatory Notes are part of the consolidated semi-annual financial statements of the Adval Tech Group.

CONSOLIDATED INCOME STATEMENT

CHF 1,000	Notes	1st half of 2024	1st half of 2023
Net turnover	14	**85,298**	**88,132**
Total income[1]		**90,251**	**91,211**
Cost of materials and services	15	-46,801	-49,233
Personnel expenses	16	-27,520	-27,146
Other operating expenses		-12,466	-11,222
Operating expenses		**-86,787**	**-87,601**
Operating earnings before depreciation (EBITDA)[1]		**3,464**	**3,610**
Depreciation on tangible fixed assets		-4,972	-3,340
Amortization on intangible fixed assets		-214	-388
Depreciation		**-5,186**	**-3,728**
Operating earnings (EBIT)[1]		**-1,722**	**-118**
Financial income		1,018	869
Financial expenses		-1,926	-1,702
Net financial income	18	**-908**	**-833**
Net result before income taxes		**-2,630**	**-951**
Income taxes	19	-637	-905
Net result after income taxes		**-3,267**	**-1,856**
Net result after income taxes per share[2] (CHF)	20	**-4.48**	**-2.54**

[1] Alternative Performance Measure, see definitions on page 22.
[2] There is no dilutive effect.

The attached explanatory Notes are part of the consolidated semi-annual financial statements of the Adval Tech Group.

SHAREHOLDERS' EQUITY

1st half of 2023 CHF 1,000	Share capital	Capital reserves	Treasury shares	Share of goodwill offset	Translation difference	Ret. earnings acc. losses	Total share-holders' equity
At January 1, 2023	**14,600**	**92,464**	**0**	**-58,776**	**-12,168**	**85,257**	**121,377**
Net result after income taxes	0	0	0	0	0	-1,856	-1,856
Translation differences	0	0	0	0	706	0	706
Increase/decrease in share capital	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Purchase/sale of treasury shares	0	0	0	0	0	0	0
At June 30, 2023	**14,600**	**92,464**	**0**	**-58,776**	**-11,462**	**83,401**	**120,227**

1st half of 2024 CHF 1,000	Share capital	Capital reserves	Treasury shares	Share of goodwill offset	Translation difference	Ret. earnings acc. losses	Total share-holders' equity
At January 1, 2024	**14,600**	**92,457**	**0**	**-58,776**	**-15,151**	**81,341**	**114,471**
Net result after income taxes	0	0	0	0	0	-3,267	-3,267
Translation differences	0	0	0	0	2,355	0	2,355
Increase/decrease in share capital	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Purchase/sale of treasury shares	0	0	0	0	0	0	0
At June 30, 2024	**14,600**	**92,457**	**0**	**-58,776**	**-12,796**	**78,074**	**113,559**

The share capital of Adval Tech Holding AG is divided into 730,000 registered shares (2023: 730,000) (nominal value CHF 20 each, fully paid up). As at June 30, 2024, the Adval Tech Group held no company shares (June 30 and December 31, 2023: no company shares). The attached explanatory Notes are part of the consolidated semi-annual financial statements of the Adval Tech Group.

CONSOLIDATED CASH FLOW STATEMENT

CHF 1,000	Notes	1st half of 2024	1st half of 2023
Net result after income taxes		**-3,267**	**-1,856**
Scheduled depreciation on tangible fixed assets		3,174	3,340
Impairment on tangible fixed assets	17	1,825	0
Scheduled amortization on intangible assets		214	388
Increase (+) / decrease (-) in long-term and short-term provisions		47	36
Increase (+) / decrease (-) in provision for deferred income taxes (net position)		57	-4
Gain (-) / loss (+) on sales of tangible fixed assets		-12	-37
Other transactions with no impact on liquidity		-482	1,400
Cash flow from operating activities before change in net current assets[1)]		*1,529*	*3,267*
Increase (-) / decrease (+) in receivables		-2,416	-8,338
Increase (-) / decrease (+) in inventories and work in progress	8	-7,530	6,637
Increase (-) / decrease (+) in prepaid expenses and accrued income		1,016	-28
Increase (+) / decrease (-) in trade accounts payable		-2,842	-2,177
Increase (+) / decrease (-) in other short-term liabilities, prepaid income and accrued expenses		516	871
Cash flow from operating activities		**-9,727**	**232**
Capital expenditure		-2,660	-2,234
Income from sales of tangible fixed assets		13	41
Investments in financial assets		0	0
Income from sales of financial assets		0	0
Investments in intangible assets		0	-161
Income from sales of intangible assets		0	0
Net cash outflow from investments in financial assets		0	0
Net cash inflow from divestments of financial assets		0	0
Cash used for investing activities		**-2,647**	**-2,354**
Free cash flow[1)]		**-12,374**	**-2,122**

1) Alternative Performance Measure, see definitions on page 22

CHF 1,000	Notes	**1st half of 2024**	**1st half of 2023**
Free cash flow[1)]		**-12,374**	**-2,122**
Dividend paid		0	0
Acquisition (-) / disposal (+) of treasury shares		0	0
Increase (+) / decrease (-) in short-term interest-bearing liabilities		218	459
Increase (+) / decrease (-) in long-term interest-bearing liabilities		852	-26
Cash flow from financing activities		**1,070**	**433**
Translation differences		296	-98
Changes in liquid assets		**-11,008**	**-1,787**
Liquid assets on June 30		16,296	26,814
Liquid assets on January 1		27,304	28,601
Changes in liquid assets		-11,008	-1,787

[1)] Alternative Performance Measure, see definitions on page 22.

The attached explanatory Notes are part of the consolidated semi-annual financial statements of the Adval Tech Group.

NOTES

1. BASIS FOR THE SEMI-ANNUAL FINANCIAL STATEMENTS / SEASONAL INFLUENCES

The Adval Tech Group operates in various markets. Adval Tech Group's business in the first half of 2024 was still impacted by supply bottlenecks in the markets, the war in the Ukraine, global economic uncertainties and disagreements between the global economic blocs on trade and punitive tariffs. As a result, company holidays were scheduled at individual sites. The most important influencing factors on the sales side are explained on pages 3 to 6.

The further development of the markets and their impact on the financial situation of the Adval Tech Group cannot be reliably estimated at present. Further statements regarding the outlook can be found on page 7 of this Semi-Annual Report.

2. CHANGES TO THE SCOPE OF CONSOLIDATION

In the reporting period and in the previous year, the scope of consolidation remained unchanged.

3. EXCHANGE RATES

Exchange rates relevant to consolidation relative to the reporting currency CHF:

	Average 1st half of 2024	Average 2nd half of 2023	Average 1st half of 2023
BRL	0.1753	0.1800	0.1799
CNY	0.1235	0.1272	0.1318
EUR	0.9614	0.9719	0.9857
MXN	0.0521	0.0507	0.0502
USD	0.8893	0.8990	0.9122

	on 06/30/2024	on 12/31/2023	on 06/30/2023
BRL	0.1626	0.1736	0.1849
CNY	0.1234	0.1184	0.1239
EUR	0.9603	0.9323	0.9781
MXN	0.0488	0.0497	0.0480
USD	0.8975	0.8400	0.8980

4. ITEMS WITH MATERIAL ESTIMATES BY MANAGEMENT AND RISKS

Items with material estimates by the management and the principal risks are fundamentally unchanged from the 2023 financial statements. They are listed in Notes 1.1, 1.7 and 2 to the consolidated financial statements of the Annual Report 2023.

The Adval Tech Group is exposed to various financial risks in the context of its business activities, such as currency risks, interest rate risks, credit risks and liquidity risks. It seeks through systematic management to minimize any adverse effects of such fluctuations on its financial results.

5. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable increased by CHF 2.1 million to CHF 25.8 million in the first half of 2024. Of the trade accounts receivable, CHF 3.2 million was overdue at the reporting date (December 31, 2023: CHF 4.5 million), CHF 0.8 million of it more than 30 days (December 31, 2023: CHF 0.8 million).

6. OTHER RECEIVABLES

Other receivables decreased by CHF 1.4 million to CHF 1.5 million in the first half of 2024. They comprise claims arising from services not directly related to operating activities, such as balances from value-added tax and other taxes, as well as balances due from social institutions. They also include amortization payments from finance leases of production equipment due within twelve months.

7. ADVANCE PAYMENTS TO SUPPLIERS

Advance payments to suppliers increased by CHF 1.0 million to CHF 2.4 million in the first half of 2024. They are primarily related to pre-financing of machine tools. Most of the increase is attributable to orders at the site in Hungary.

8. INVENTORIES AND WORK IN PROGRESS

CHF 1,000	**06/30/2024**	**12/31/2023**
Trading goods	60	110
Raw materials	9,843	9,745
Semi-finished and finished goods	20,707	21,499
Work in progress, long-term orders	24,743	16,088
Work in progress, other orders	2,317	1,719
Provisions	-11,198	-11,315
Total inventories and work in progress	**46,472**	**37,846**

In the first half of 2024, inventories and work in progress increased by CHF 8.6 million. Work in progress for long-term contracts increased the most. They rose by CHF 8.7 million. This increase is related to production resources for customer projects, which are not invoiced to customers until series production begins.

9. FINANCIAL ASSETS

At CHF 0.1 million, financial assets remained virtually unchanged in the first half of 2024. This primarily relates to receivables for production equipment maturing in more than 12 months, which will only be repaid by customers under finance leases.

10. TRADE ACCOUNTS PAYABLE

Trade accounts payable decreased by CHF 2.4 million to CHF 11.2 million in the first half of 2024. The largest decrease was seen at the sites in Hungary, Switzerland and Brazil.

11. SHORT- AND LONG-TERM INTEREST-BEARING LIABILITIES

Interest-bearing liabilities are as follows:

CHF 1,000	**06/30/2024**	**12/31/2023**
Short-term interest-bearing liabilities to third parties	226	0
Short-term leasing liabilities to third parties	90	96
Short-term interest-bearing liabilities	**316**	**96**
Long-term leasing liabilities to third parties	320	363
Long-term interest-bearing liabilities to third parties	1,850	950
Long-term interest-bearing liabilities	**2,170**	**1,313**

Interest-bearing liabilities totaling CHF 2.5 million (December 31, 2023: CHF 1.4 million) are covered by liquid assets of CHF 16.3 million (December 31, 2023: CHF 27.3 million, gross). The increase in interest-bearing liabilities is primarily due to the financing of a production site in Hungary.

12. OTHER SHORT-TERM LIABILITIES

Other short-term liabilities decreased by CHF 2.3 million to CHF 3.6 million compared with December 31, 2023. This is primarily due to lower advance payments from third parties in Germany.

13. PREPAID INCOME AND ACCRUED EXPENSES

Prepaid expenses and accrued expenses increased by CHF 3.8 million to CHF 15.4 million in the first half of 2024. The largest increase was seen at the sites in Switzerland, Hungary and Germany.

14. SEGMENT REPORTING / TURNOVER BY GEOGRAPHICAL MARKET

The Adval Tech Group presents net turnover by regions, as in the 2023 Annual Report. The resulting breakdown is as follows:

CHF 1,000	1st half of 2024		1st half of 2023	
Net turnover	**85,298**	**100%**	**88,132**	**100%**
Europe	58,481	69%	63,862	73%
– of which Germany	29,720	35%	35,858	41%
– of which Switzerland	8,935	10%	7,966	9%
– of which Czech Republic	5,689	7%	2,999	3%
– of which France	2,928	3%	2,507	3%
– of which Hungary	2,824	3%	5,545	6%
– of which Turkey	2,369	3%	3,242	4%
– of which Slovakia	1,595	2%	2,396	3%
– of which other countries in Europe	4,421	6%	3,349	4%
Asia	10,606	12%	9,037	10%
– of which China	7,621	9%	5,717	6%
– of which other countries in Asia	2,985	3%	3,320	4%
Latin America	10,672	13%	10,792	12%
North America	5,407	6%	4,354	5%
Australia and Oceania	116	0%	62	0%
Africa	16	0%	25	0%

15. COST OF GOODS SOLD AND THIRD-PARTY SERVICES

The cost of goods sold and third-party services was CHF 2.4 million lower than in the first half of 2023. This reduction is primarily due to the lower output. In addition, some of the higher procurement costs absorbed in the past were recharged to customers in the first half of the year 2024. The cost of goods sold and third-party services as a percentage of total income[1)] were 51.9% in the first half of 2024, 2.1 percentage points lower than in the first half of 2023 (54.0%). The subsequent offsetting of the higher procurement costs also had an impact on the cost of materials. Negotiations with customers for passing on the higher costs have not been concluded and will continue.

16. PERSONNEL EXPENSES

Personnel expenses in the first half of 2024 were CHF 0.4 million higher than in the same period of the previous year.

In the first six months of 2024, the headcount decreased by 61 full-time positions to 1,090 full-time positions. Compared with June 30, 2023, the headcount decreased by 76 full-time equivalents. The decrease in the number of employees in the first half of 2024 mainly took place at the sites in Germany, Mexico and Switzerland.

17. DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation on property, plant, and equipment includes a value adjustment of CHF 1.8 million from a project termination. Like the other expenses in this connection, this value adjustment was charged on to customers.

[1)] Alternative Performance Measure, see definitions on page 22.

18. FINANCIAL EXPENSES AND FINANCIAL INCOME

CHF 1,000	1st half of 2024	1st half of 2023
Interest earned	219	215
Currency gains	795	654
Other financial income	4	0
Total financial income	**1,018**	**869**
Interest paid	-90	-59
Currency losses	-1,125	-1,079
Unrealized translation differences	-588	-483
Other financial expenses	-123	-81
Total financial expenses	**-1,926**	**-1,702**
Net financial income	**-908**	**-833**

The net financial result shows a net expense of CHF 0.9 million in the first half of 2024 (first half of 2023: net income of CHF 0.8 million). This is mainly due to higher translation differences.

19. INCOME TAXES

Income taxes primarily arose in profitable units which do not have any tax loss carry-forwards. No further deferred tax assets were recognized in the first half of the year 2024.

20. EARNINGS PER SHARE

The result reported for corporate tax per share was calculated on the basis of the 730,000 outstanding shares. The capital structure remained unchanged in the reporting period and the previous year. There are therefore no dilution effects.

21. SHARE-BASED REMUNERATION

In the first half of 2024, no variable remuneration for the financial year 2023 was paid to the Group Executive Management. In the previous year, no shares were allocated for variable remuneration either.

22. TRANSACTIONS WITH RELATED PARTIES

The list with persons and companies deemed to be related parties is included in note 37 to the 2023 consolidated financial statements.

In the first half of 2024, material was purchased from related parties in the amount CHF 0.02 million (first half of 2023: CHF 0.02 million). As of June 30, 2024, there were no liabilities to related parties (December 31, 2023: CHF 0.002 million). As at the balance sheet dates June 30, 2024, and December 31, 2023, no receivables from related parties existed.

23. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Between the balance sheet date and the approval of the semi-annual statements for publication, there were no events that significantly affect the statements in this report.

The impact of the future development of the supply bottlenecks on the procurement markets for our clients and for Adval Tech, the war in the Ukraine, the global political situation, and the global economic development cannot be reliably estimated at this time.

24. RELEASE OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

These semi-annual financial statements were released for publication by the Board of Directors of Adval Tech Holding AG on August 27, 2024.

SUBTOTALS IN THE BALANCE SHEET, INCOME STATEMENT AND CASH FLOW STATEMENT

The Adval Tech Group uses subtotals in its financial report that are not defined in Swiss GAAP FER. These **Alternative Performance Measures** are used to enhance the information value of the income statement and cash flow statement. The following subtotals are used:

INCOME STATEMENT

Total income	Net turnover, plus or minus change in inventories of finished and semi-finished goods, plus capitalized internally produced assets, plus other operating income
EBITDA	Total income less cost of goods sold and outsourced services, payroll and other operating expenses
EBIT	EBITDA less depreciation and amortization

CASH FLOW STATEMENT

Cash flow from operating activities before changes in net current assets	Net result after income taxes plus depreciation and amortization plus or minus change in short-term and long-term provisions, change in provisions for deferred income taxes, gain/loss on sales of tangible fixed assets, other transactions with no impact on liquidity
Free cash flow	Sum of cash flow from operating activities and cash flow from investing activities

BALANCE SHEET FIGURES

Operating net current assets	Trade accounts receivable plus prepayments to suppliers plus inventories minus trade accounts payable minus prepayments from customers minus invoices not yet paid
Net debt	Cash and cash equivalents less short-term interest-bearing liabilities less long-term interest-bearing liabilities
Net financial position	If net debt is negative, we speak of a net financial position.

		Components	
		Metal	Plastic
Europe	Adval Tech (Grenchen) AG, Grenchen, Switzerland	●	●
	Adval Tech (Hungary) Kft., Szekszárd, Hungary		●
	Adval Tech (Hungary) Plant 2 Kft., Szekszárd, Hungary	●	
	Adval Tech (Germany) GmbH und Co. KG, Endingen, Germany	●	
	Adval Tech (Switzerland) AG, Niederwangen, Switzerland	●	
Asia	Adval Tech (Malaysia) Sdn. Bhd., Johor Bahru, Malaysia		●
	Adval Tech (Suzhou) Co. Ltd, Suzhou, China		●
Americas	Adval Tech (Mexico) S.A. de C.V., Querétaro, Mexico		●
	Adval Tech do Brasil Indústria de Autopeças Ltda., São José dos Pinhais, Brazil	●	

AGENDA

- Conference on the 2024 financial statements: April 2025
- Publication of the 2024 Annual Report: April 2025
- General Meeting of Shareholders: May 15, 2025

BRIEF PORTRAIT OF THE ADVAL TECH GROUP

Adding value through innovation – that's what Adval Tech stands for. The Adval Tech Group is a global industrial supplier of technologically sophisticated components and subassemblies made of metal, light metal, and plastic. It focuses on selected activities, especially in its main target market, the automotive industry. As a supplier and value-adding partner, Adval Tech covers the entire value chain from product development to prototyping, to mold and tool development, and through to component production and assembly. Headquartered in Switzerland, the Adval Tech Group operates a total of nine production plants. These are located in Switzerland, Germany, Hungary, China, Malaysia, Mexico, and Brazil.

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This Semi-Annual Report is available in English and German. The original German-language version is binding.