

# 23

# SKAN Fact Sheet (in CHF)

## Changes compared to 1st half 2022

Order intake -33.4%	175.3 m
Net sales +15.6%	139.7 m
EBITDA +74.1%	18.6 m
EBITDA-Margin +4.5pp <sup>1</sup>	13.3%
Operating cash flow -118.5%	-5.0 m

## Changes compared to 31.12.2022

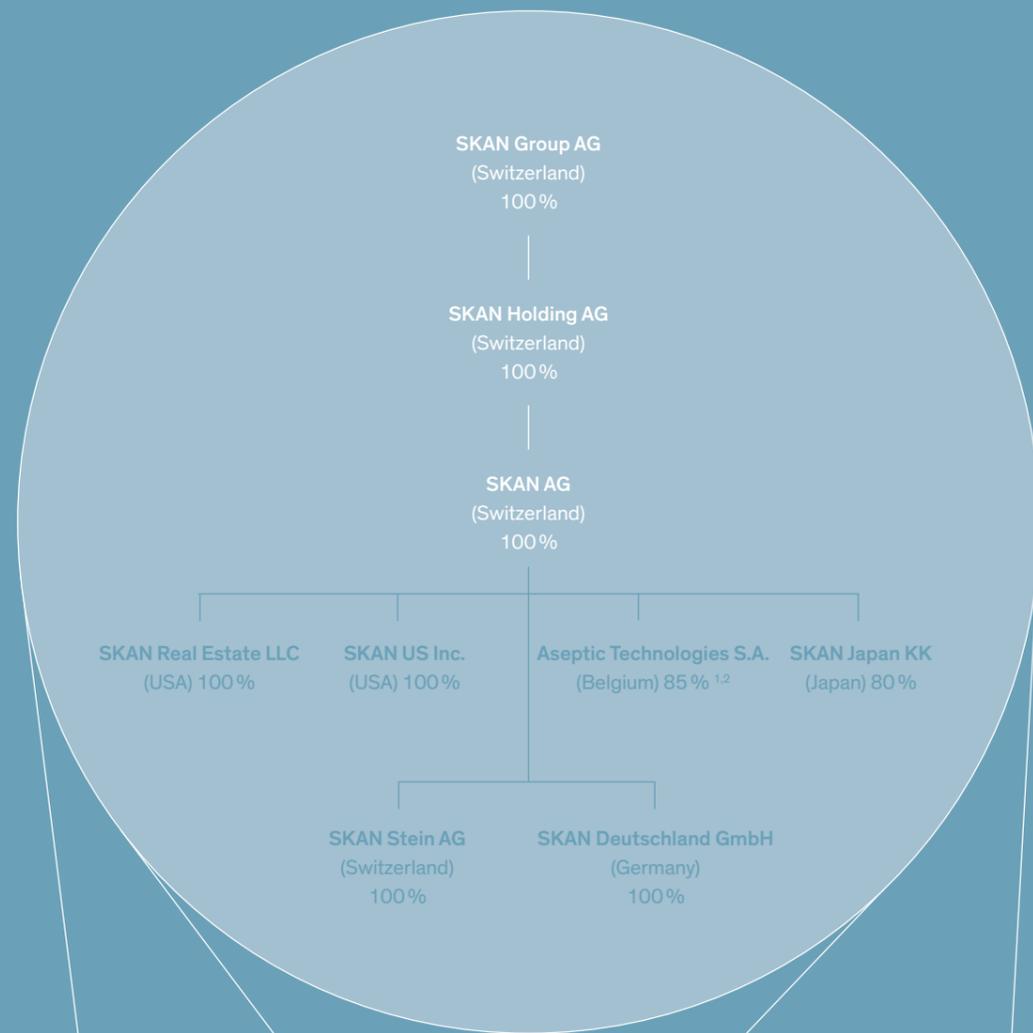
Cash -11.8%	97.9 m
Assets +2.3%	397.2 m
Investments -35.1% <sup>2/3</sup>	10.2 m
Employees +97	1'269

<sup>1</sup> Percentage points

<sup>2</sup> Investments in property, plant and equipment, and intangible assets

<sup>3</sup> Compared to 30.06.2022

# Locations



<sup>1</sup> 5% increase in the shareholding in Aseptic Technologies S.A. as of 2 May 2023.  
<sup>2</sup> New investment in associated entity Plast4Life (Belgium) held by Aseptic Technologies S.A.

# Key Figures<sup>1</sup>

in thousand CHF	1st half 2023 or 30.06.2023	in % of net sales	1st half 2022 or 31.12.2022	in % of net sales	change in %
<b>Financial key figures</b>					
Order intake	175'303		263'270		-33.4%
Order backlog <sup>2</sup>	384'576		360'086		6.8%
Net sales from goods and services	139'738		120'894		15.6%
EBITDA	18'595	13.3%	10'679	8.8%	74.1%
EBIT	12'401	8.9%	5'874	4.9%	111.1%
Profit for the period	8'745	6.3%	1'115	0.9%	684.3%
<b>Other key figures</b>					
Net working capital (NWC) <sup>2</sup>	-16'994		-12'808		-32.7%
Return on capital employed (ROCE)	6.7%		3.0%		123.7%
Investments (PPE and Intangible Assets) <sup>4</sup>	10'176		15'683		-35.1%
Equity <sup>2</sup>	162'027		165'595		-2.2%
Equity ratio <sup>2</sup>	40.8%		42.6%		-4.2%
Cash flow from operating activities	-4'967		26'875		-118.5%
Cash flow from investing activities	7'534		-56'096		-113.4%
Cash flow from financing activities	-15'242		-1'927		nm <sup>3</sup>
Headcount <sup>2</sup>	1'269		1'172		8.3%
<b>Segment key figures</b>					
<b>Equipment &amp; Solutions</b>					
Order intake	128'228		226'303		-43.3%
Order backlog <sup>2</sup>	349'505		332'748		5.0%
Net sales from goods and services	103'075		90'203		14.3%
EBITDA	9'524	9.2%	4'782	5.3%	99.2%
<b>Service &amp; Consumables</b>					
Order intake	47'075		36'967		27.3%
Order backlog <sup>2</sup>	35'071		27'338		28.3%
Net sales from goods and services	36'664		30'690		19.5%
EBITDA	9'071	24.7%	5'897	19.2%	53.8%
<b>Stock key figures</b>					
Registered shares	22'483'524		22'483'524		0.0%
Earnings per share (in CHF)	0.35		-0.02		nm <sup>3</sup>

<sup>1</sup> This table and report include references to operational indicators, such as customer projects, and alternative financial performance measures (APM) that are not defined or specified by Swiss GAAP FER. These APM should be regarded as complementary information to and not as substitutes for the Group's consolidated half-year financial results based on Swiss GAAP FER. For the definition of the main operational indicators and APM used, including related abbreviations, please refer to the section entitled "Abbreviation and Definitions".

<sup>2</sup> Comparison value as of 31.12.2022

<sup>3</sup> not meaningful

<sup>4</sup> Investments in property, plant and equipment, and intangible assets

# Letter to shareholders

In the first half of 2023, the SKAN Group was able to build on the excellent performance of the previous year. Order backlog, sales, and profit were increased to new highs and the implementation of the strategy was driven forward. The SKAN Group made good progress in its strategic initiatives to develop integrated process solutions and to increase the level of standardization of its equipment. The services and consumables business also grew in line with the strategy. The guidance for the full year 2023 is confirmed.



Cornelia Gehrig, BoD Vice chairwoman and Thomas Huber, CEO

## Dear Shareholder

We are pleased to be able to report to you once again on a good business performance of the SKAN Group in the first half of 2023. The strong market development continued unabated in the first six months of the current year. Drivers are not only the general growth of the (bio)pharmaceutical market but also the shift within the industry towards more injectable drugs. In addition, there is the trend towards reshoring, meaning the relocation of drug production from Asia back to Western Europe and North America. All these developments are increasing demand for process solutions for the aseptic filling of active biopharmaceutical ingredients. Based on its leading market position, the quality and innovation level of its equipment, and its process expertise, the SKAN Group was able to benefit overproportionally from the market growth.

## Record high order backlog

The SKAN Group reports an order intake of CHF 175.3 million for the first half of 2023 (H1 2022: CHF 263.3 million). After a strong catch-up effect was felt in the equipment business in the previous year – as customers increasingly invested in equipment for drugs that were put on hold during the Covid-pandemic – order intake normalized at a continued high level in the first six months of 2023. Overall, the order pipeline remains well-filled. The order backlog has again increased to a record CHF 384.6 million (31.12.2022: CHF 360.1 million). This gives us planning security in the equipment business for the next two years.

Net sales increased by 16 percent to CHF 139.7 million in the first half of 2023 (H1 2022: CHF 120.9 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) reached CHF 18.6 million in the first half of 2023, corresponding to an EBITDA margin of 13 percent (H1 2022: CHF 10.7 million, 9 percent). The imbalance between projects in the design phase, which still generate relatively low billable value added, and projects in value-intensive production was significantly less pronounced than in the previous year. However, the SKAN Group again expects a stronger second half of the year in 2023 in terms of value added and thus also in terms of net sales and profitability. The most important cost factors in the reporting period were the planned continued increase in personnel by almost 100 employees and expenses for standardization, which will have a positive impact on profitability in the coming years. Earnings before interest and taxes (EBIT) for the first half of 2023 amounted to CHF 12.4 million, which is

more than double the CHF 5.9 million in the same period of the previous year. Profit amounted to CHF 8.7 million (H1 2022: CHF 1.1 million).

## Equipment & Solutions can keep delivery times

The Equipment & Solutions segment recorded order intake of CHF 128.2 million in the first half of 2023 (H1 2022: CHF 226.3 million). In addition to the good order intake for isolator solutions, an important major order in the traditional trading business with labor equipment is also worth mentioning. Net sales increased by 14 percent to CHF 103.1 million (H1 2022: CHF 90.2 million). The Equipment & Solutions segment thus accounted for 74 percent of the SKAN Group's total revenue.

At 1.2, the book-to-bill ratio in the reporting period was still above 1, but below the previous year's value of 2.5. The development of sales is thus keeping better pace with incoming orders, which means that delivery times for customers are not getting any longer. This is not least due to the fact that customers are increasingly ordering similarly designed systems, which reduces production times. The bottlenecks in the supply chain eased noticeably in the first half of 2023. Although delivery times remain unusually long, certain critical components are now more readily available again and agreed delivery deadlines are generally being met.

Segment EBITDA roughly doubled in the first half of 2023, from CHF 4.8 million in the prior-year period to CHF 9.5 million, resulting in an EBITDA margin of 9 percent. The margin improvement is in particular due to the more balanced distribution of projects across the various project phases. SKAN again spent a significant amount, around 7 percent of Group sales, on its strategic initiatives in the area of integrated process solutions and standardization, as well as on general research and development activities. For the standardization initiative, the SKAN Group has assigned a dedicated team. Both projects are developing according to plan.

## Services & Consumables posts significant growth

The Services & Consumables segment achieved a 27 percent increase in order intake to CHF 47.1 million in the first half of 2023. Net sales increased by 20 percent to CHF 36.7 million and EBITDA amounted to CHF 9.1 million, corresponding to an EBITDA margin of 25 percent.

In addition to the steady expansion of our installed base of SKAN equipment, which requires regular maintenance,

requalification and spare parts, the increase was driven by higher sales of AT-Closed Vials®. There are now five drugs on the market that are filled using the closed vial process solutions of our Belgian subsidiary Aseptic Technologies. The expectation that the commercialization of new drugs will increase the consumption of AT-Closed Vials® and thus the volume in the Services & Consumables segment has been confirmed. The development pipeline of drugs to be filled in our AT-Closed Vials® is in the range of approximately 400 active ingredients. Accordingly, the sales volume is likely to increase further in the future. Against this background, the SKAN Group increased its stake in Aseptic Technologies by 5 percent to 85 percent as planned at the beginning of May 2023. According to the contractual agreement with the co-owner Wallonie Entrepreneurs, SKAN will take over a further tranche of 5 percent by 2026 at the latest.

The SKAN Group made good progress in the first half of 2023 with its pre-approved services project, which will also contribute to the expansion of the services business in the future.

#### Solid equity base

The Pre-Approved Services project was also a focus of investments, which totaled CHF 10.2 million in the first half of 2023 (H1 2022: CHF 15.7 million). Cash flow was negative at CHF -13.1 million, particularly as loans were repaid and the dividend distributed. In addition, inventories of critical components continued to be held at a higher level than usual in order to avoid supply shortages. Due to the improved situation in the supply chain, inventories are expected to normalize over time. SKAN Group's equity amounted to CHF 162.0 million as of June 30, 2023, which corresponds to a very solid equity ratio of 41% (31.12.2022: CHF 165.6 million, 43%).

#### Changes in corporate governance

At the end of May 2023, the Office of the Attorney General of Switzerland initiated an investigation due to possible insider trading in BV Holding AG shares in the period prior to the IPO. As a person close to him is involved, Dr. Gert Thoenen, Chairman of the Board of Directors of SKAN Group AG, is abstaining for the duration of the ongoing investigation. Vice Chairwoman Cornelia Gehrig has taken over the management of the business of the Board of Directors. As soon as findings result from the ongoing investigation, SKAN Group AG will inform. The presumption of innocence applies to all those involved.

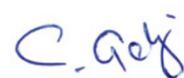
#### Outlook and Guidance

The SKAN Group assumes that demand momentum in its market will continue at a high level. The underlying growth of the global (bio)pharmaceutical market and the reinforcing trend towards injectable drugs will continue. An analysis of our customers' research pipelines shows that three quarters of the drugs in development are now designed for an injectable dosage form. Other market drivers include the shift from traditional cleanrooms to the state-of-the-art isolator technology and the reshoring of pharmaceutical production.

Against this backdrop, demand for SKAN's equipment, services and consumables will continue, as evidenced by the well-filled order pipeline. SKAN Group expects the second half of 2023 to be even stronger than the first half in terms of net sales and profitability. Accordingly, the SKAN Group confirms its targets for the current year: At net sales level, we expect an increase in the mid to upper teens, with both the Equipment & Solutions and Services & Consumables segments likely to grow at a similar rate. The EBITDA margin is expected between 13 and 15 percent.

#### Sincere thanks

Our employees have again shown great commitment to the SKAN Group in this half-year. We would like to thank them sincerely for this. Our thanks also go to our customers for their trust and cooperation in a spirit of partnership, and to you, our valued shareholders, for your support.



Cornelia Gehrig  
Vice Chairwoman of the BoD



Thomas Huber  
CEO

# Half-Year Financial Statements



# Consolidated Half-Year Financial Statements 2023

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# Consolidated Income Statement

in CHF thousands	Note	1st half 2023		1st half 2022	
Net sales from goods and services	6	139'738	100%	120'894	100%
Change in inventory of finished, unfinished goods and work in progress		8'199		5'062	
Material and external services		-35'971		-35'975	
Gross Profit		111'966	80%	89'980	74%
Personnel expenses	6	-72'422		-61'904	
Other operating expenses	6	-20'949		-17'397	
EBITDA		18'595	13%	10'679	9%
Depreciation		-5'146		-3'974	
Amortisation		-1'048		-831	
Operating Result (EBIT)		12'401	9%	5'874	5%
Financial expenses	6	-4'809		-3'874	
Financial income	6	2'643		546	
Ordinary Result / Profit Before Income Taxes (EBT)		10'235	7%	2'546	2%
Income taxes	6	-1'490		-1'431	
Profit For The Period		8'745	6%	1'115	1%
Profit attributable to minority interests		941		1'664	
Profit attributable to shareholders of SKAN Group AG		7'804		-549	
Basic and diluted earnings per share in CHF	4	0.35		-0.02	



# Consolidated Balance Sheet

in CHF thousands	Note	30.06.2023		31.12.2022	
Cash and cash equivalents	7	97'859		110'982	
Fixed term deposit	7	0		25'000	
Trade receivables	7	31'808		26'039	
Other current receivables	7	13'635		8'630	
Inventories	7	47'876		37'309	
Work in progress	7	84'708		70'889	
Prepayments and accrued income	7	22'768		14'991	
<b>Total Current Assets</b>		<b>298'653</b>	<b>75%</b>	<b>293'840</b>	<b>76%</b>
Property, plant and equipment	7	91'314		88'045	
Financial assets	7	3'372		2'251	
Intangible assets		3'030		3'358	
Deferred tax assets		861		857	
<b>Total Non-Current Assets</b>		<b>98'577</b>	<b>25%</b>	<b>94'510</b>	<b>24%</b>
<b>Total Assets</b>		<b>397'230</b>	<b>100%</b>	<b>388'351</b>	<b>100%</b>

in CHF thousands	Note	30.06.2023		31.12.2022	
Trade payables		28'680		31'925	
Advance payments from customers	7	148'753		124'590	
Current financial liabilities		920		1'609	
Other current liabilities		7'459		10'099	
Current provisions		25'803		23'596	
Accrued liabilities and deferred income		7'091		5'455	
<b>Current Liabilities</b>		<b>218'707</b>	<b>55%</b>	<b>197'275</b>	<b>51%</b>
Non-current financial liabilities	7	6'306		15'274	
Other non-current liabilities		6'415		6'727	
Deferred tax liabilities		3'209		2'891	
Non-current provisions		566		589	
<b>Non-Current Liabilities</b>		<b>16'496</b>	<b>4%</b>	<b>25'481</b>	<b>7%</b>
<b>Total Liabilities</b>		<b>235'203</b>	<b>59%</b>	<b>222'756</b>	<b>57%</b>
Share capital	7	225		225	
Capital reserves	7	117'282		120'093	
Retained earnings	7	37'680		36'980	
<b>Equity Attributable to Shareholders of SKAN Group AG</b>		<b>155'187</b>	<b>39%</b>	<b>157'298</b>	<b>41%</b>
Minority interests		6'839		8'297	
<b>Total Equity</b>		<b>162'027</b>	<b>41%</b>	<b>165'595</b>	<b>43%</b>
<b>Total Liabilities and Equity</b>		<b>397'230</b>	<b>100%</b>	<b>388'351</b>	<b>100%</b>

# Consolidated Cash Flow Statement

in CHF thousands	Note	1st half 2023	1st half 2022
Profit for the period		8'745	1'115
Depreciation and amortisation		6'194	4'805
Change of provisions (including deferred taxes)		2'601	4'093
Other non-cash items		-245	-795
Loss on disposal of fixed assets		479	127
Change of trade receivables	7	-6'040	-5'068
Change of inventories and work in progress	7	-26'327	-19'296
Change of other receivables, prepayments and accrued income	7	-13'355	2'144
Change of trade payables		-2'715	198
Change of advance payments from customers, other current liabilities and accrued liabilities and deferred income		25'972	37'941
Change of other non-current liabilities		-274	1'611
<b>Cash Flow from Operating Activities</b>		<b>-4'967</b>	<b>26'875</b>
Inflows from fixed term deposit	7	25'000	0
Outflows for property, plant and equipment	7	-9'441	-14'734
Inflows from disposal of property, plant and equipment		77	47
Outflows for purchase of financial assets	7	-1'315	-25'060
Outflows for purchase of intangible assets		-735	-949
Outflows for purchase of Aseptic Technologies S.A.	7	-6'051	-15'400
<b>Cash Flow from Investing Activities</b>		<b>7'534</b>	<b>-56'096</b>

in CHF thousands	Note	1st half 2023	1st half 2022
Distribution of profits to shareholders of SKAN Group AG		-5'621	-5'396
Issuance/Repayment of current financial liabilities		-684	183
Issuance/Repayment of non-current financial liabilities	7	-8'938	3'286
<b>Cash Flow from Financing Activities</b>		<b>-15'242</b>	<b>-1'927</b>
Net impact of foreign exchange rate differences on cash and cash equivalents		-447	-601
<b>Change in Cash and Cash Equivalents</b>		<b>-13'123</b>	<b>-31'749</b>
Cash and cash equivalents as at 1 January		110'982	131'539
Cash and cash equivalents as at 30 June		97'859	99'789
<b>Change in Cash and Cash Equivalents</b>		<b>-13'123</b>	<b>-31'749</b>

Cash and cash equivalents comprise current bank accounts, petty cash and short-term financial investments with an initial maturity of up to three months.

# Consolidated Statement of Changes in Equity

in CHF thousands	Share capital	Capital reserves	Treasury Shares	Goodwill offset	Other retained earnings	Retained earnings	Equity attributable to shareholders of SKAN Group AG	Minority interests	Total Equity
Balance as at 1 January 2022	225	123'671	0	-30'014	65'863	35'849	159'745	14'261	174'005
Net profit for the period	0	0	0	0	-549	-549	-549	1'664	1'115
Dividends paid to minority interests*	0	0	0	0	0	0	0	-817	-817
Dividends paid to shareholders of SKAN Group AG	0	-2'698	0	0	-2'698	-2'698	-5'396	0	-5'396
Currency translation differences	0	0	0	0	-394	-394	-394	-356	-750
Balance as at 30 June 2022	225	120'973	0	-30'014	62'222	32'207	153'406	14'752	168'158
Balance as at 1 January 2023	225	120'093	0	-30'014	66'994	36'980	157'299	8'297	165'595
Net profit for the period	0	0	0	0	7'804	7'804	7'804	941	8'745
Dividends paid to minority interests**	0	0	0	0	0	0	0	-335	-335
Dividends paid to shareholders of SKAN Group AG	0	-2'810	0	0	-2'810	-2'810	-5'621	0	-5'621
Acquisition of minority interest***	0	0	0	0	-4'055	-4'055	-4'055	-1'996	-6'051
Currency translation differences	0	0	0	0	-238	-238	-238	-68	-306
Balance as at 30 June 2023	225	117'282	0	-30'014	67'694	37'680	155'187	6'839	162'027

\* The dividend was paid out in July 2022.

\*\* The dividend was paid out in July 2023.

\*\*\* Increase of additional 5% share of an already fully consolidated entity (Aseptic Technologies), regarded as a virtual repurchase from the minorities.



# Notes to the Consolidated Financial Statements

## 1 General Information

SKAN Group AG (hereafter the Company) is a public limited company incorporated under Swiss law and is headquartered in Allschwil. Since 28 October 2021, the SKAN Group AG has been listed on the SIX Swiss Exchange with the security symbol "SKAN". Prior to the listing the Company and its shares were listed on BX Swiss as an investment company. With the first day of trading at SIX Swiss Exchange the Company was delisted from BX Swiss.

SKAN is a leading systems provider in the field of cleanroom equipment and produces isolators for the pharmaceutical and chemical industry. SKAN isolator systems aim to protect the product, the employees and the environment during sterile and toxic applications in production, quality control as well as powder and substance processing.

The consolidated half-year financial statements as of 30 June 2023 present the income statement, balance sheet, cash flow statement, statement of changes in equity and notes of SKAN Group AG and its subsidiaries.

## 2 Basis of Preparation and Significant Accounting-Policies

The unaudited consolidated half-year financial statements comprise the unaudited half-year results of SKAN Group AG and its subsidiaries for the reporting period ended 30 June 2023 and have been prepared in accordance with Swiss GAAP FER 31 "Additional accounting and reporting recommendations for listed companies" and the consolidation and accounting principles described in the 2022 consolidated financial statements. The half-year report does not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements compiled for the year ending 31 December 2022 as they represent an update of the last complete set of financial statements. Selected explanatory notes are included to explain significant transactions and events, which occurred in the first half-year. The figures and especially the totals may contain rounding differences.

## 3 Management Assumptions and Estimates

Management's estimates and assumptions used in the consolidated half-year financial statements have not changed compared to the 2022 consolidated financial statements.

## 4 Segment Information

In accordance with the management structure and the reporting to the Management and the Board of Directors of SKAN Group AG (hereafter Board of Directors), the reportable segments are the following:

### Equipment & Solutions

Within Equipment & Solutions, we provide mission-critical solutions for pharmaceutical production, including isolators, integrated automated systems, aseptic filling systems and solutions as well as laboratory and cleanroom equipment. Our products are characterised by

their high reliability, innovative features and functions, and quality. We offer system and customised solutions as well as end-to-end support to our customers for efficient approval processes with the relevant regulatory authorities (e.g. FDA, EMA, Swissmedic).

### Services & Consumables

With our Services & Consumables business we provide global customer support and offer our customers ready-

to-use consumables as well as digital solutions.

1st half 2023 in CHF thousands	Equipment & Solutions	Services & Consumables	Total segments/ Group
Order backlog	349'505	35'071	384'576
Order intake	128'228	47'075	175'303
Net sales from goods and services	103'075	36'664	139'738
EBITDA	9'524	9'071	18'595
EBITDA margin	9.2%	24.7%	13.3%
Depreciation			-5'146
Amortisation			-1'048
Operating Result (EBIT)			12'401
Financial result			-2'166
Ordinary Result / Profit Before Income Taxes (EBT)			10'235

1st half 2022 in CHF thousands	Equipment & Solutions	Services & Consumables	Total segments/ Group
Order backlog	340'478	26'909	367'387
Order intake	226'303	36'967	263'270
Net sales from goods and services	90'203	30'690	120'894
EBITDA	4'782	5'897	10'679
EBITDA margin	5.3%	19.2%	8.8%
Depreciation			-3'974
Amortisation			-831
Operating Result (EBIT)			5'874
Financial result			-3'328
Ordinary Result / Profit Before Income Taxes (EBT)			2'546

#### Net sales by region

in CHF thousands	1st half 2023	1st half 2022
Asia	8'930	13'401
Europe	71'642	58'761
Americas	58'725	48'362
Other regions	441	370
<b>Total Net Sales by Region</b>	<b>139'738</b>	<b>120'894</b>

Net sales include kCHF 88'496 (2022: kCHF 68'688) from long-term contracts.

#### Earnings Per Share

in CHF	1st half 2023	1st half 2022
Profit/Loss attributable to shareholders of SKAN Group AG	7'803'795	-549'205
Weighted average number of shares outstanding	22'483'524	22'483'524
Basic and diluted earnings per share (in CHF)	0.35	-0.02

## 5 Seasonality

Order intake is subject to certain seasonal fluctuations due to SKAN's customers' budget cycles. Accordingly, the Company sees increased order activity during the second half-year and towards the end of the year, as this is the period when customers need to make the best of their capital expenditure budgets to ensure efficient resource allocation.

In the first half-year of 2023, order intake amounts to kCHF 175'303 (H1 2022: kCHF 263'270). This is 33% less compared to the prior year period. In the previous year, a strong catch-up effect was noticeable in the equipment business, due to increased investments by the customers for other pharmaceutical products, which had previously been postponed due to the Covid-pandemic. This momentum has resulted in order intake stabilizing at a still substantial level during the first six months of 2023. The order intake is expected to continue on a sustainable level throughout the second half of the year.

Net sales and profit recognition are intricately tied to the advancement of projects and their respective phases. Within SKAN, project progress is assessed through the utilization of the cost-to-cost percentage-of completion (PoC) approach. As such, the contribution of a project to net sales and profit recognition does not unfold uniformly over the project's lifecycle. Notably, during the design and engineering phase, as well as in the commissioning and qualification phase, the value generation is less pronounced compared to the more value-intensive production phase. This inherent characteristic of SKAN's business model can cause fluctuations in financial outcomes.

## 6 Income Statement

### Net Sales from Goods and Services

Net sales from goods and services increased by kCHF 18'845 from kCHF 120'894 in the first half-year 2022 to kCHF 139'738 in the first half-year 2023. This results in a growth rate of 16%. With an increase of 14% in net sales from kCHF 90'203 to kCHF 103'075 the segment Equipment & Solutions (E&S) was very successful in the first half of 2023. The E&S segment thus accounted for 74% of the SKAN Group's total sales.

Services & Consumables (S&C) grew by 19% from kCHF 30'690 to kCHF 36'664. The growth in S&C is mainly driven by two key factors: firstly, an increase in the number of installed bases that necessitate regular requalifications and replacement of parts; secondly, a rise in sales of AT-Closed Vials® and other consumables from Aseptic Technologies. There are now five medications on the market that are filled using the process solutions for closed vials from the Belgian subsidiary Aseptic Technologies. In addition to that, the expectation of the commercialization of the new drugs will increase the volume of sales in S&C.

The split of the net sales between the segments has slightly changed compared to last year. The net sales within the segment S&C grew from 25% to 26% compared to the previous half-year. This progress is aligned with our strategic objective of advancing the evolution of the S&C segment.

In a regional perspective, the European market remains the biggest with a share in total net sales of 51%. The European market recorded a robust growth of 22% to kCHF 71'642 compared to the previous half-year 2022 (kCHF 58'761). A similar growth has been achieved in the Americas regions where sales grew by 21% from kCHF 48'362 to kCHF 58'725. In the Americas, the Company generates 42% of total Sales. The Asian market shrank by 33% in net sales from kCHF 13'401 to kCHF 8'930. This is mainly driven by the fluctuation of large projects in Asia. Net sales in the Asian region make up 6% of SKAN's total sales.

### Gross Margin

The Company's gross margin increased from 74% to 80%. The increase in margin results from higher net sales compared to the previous year while the cost of material remained stable. With the expansions in Görlitz (DE) and Stein (CH), SKAN was able to increase the inhouse production, which positively impacted the gross margin in the first half of 2023.

### Personnel Expenses

In the last 6 months, SKAN grew by 97 to 1'269 employees globally. These 97 employees were employed at various locations across the group companies. Personnel costs developed accordingly and amount to kCHF 72'422. Compared to the previous half-year personnel costs have increased by kCHF 10'518 (+17%). In relation to net sales, the personnel costs ratio is at 52%, slightly higher than the corresponding period of the previous year (51%). This increase is partly attributed to salary inflation costs.

### Other Operating Expenses

Other operating expenses as of percentage of net sales slightly increased from 14% in the first half-year 2022 to 15% in the reporting period, mainly driven by travel expenses and maintenance costs. Travel expenses had continued to grow since almost all travel restrictions regarding the Covid-pandemic were released. To support all customers and products across the globe, travel expense forms the biggest expense. The increase in maintenance costs corresponds to the overall growing business and is in line with the increasing sales, especially because of investments in existing production sites and test equipment. Another driver for the increase were the insurance expenses due to the growing business.

### EBITDA

The EBITDA margin has increased from 9% to 13%. The margin increase is mainly caused by higher sales and constant material costs compared to last year. Hence the gross profit grew faster. The higher margin is also driven by the more balanced distribution of the projects across the various project phases and the growth of the consumable business.

## Financial Result

The negative financial result in 2023 is mainly driven by unrealized currency exchange losses due to the currency valuation of balance sheet positions in foreign currency as of June 2023 (EUR and USD).

### Income Taxes

The income taxes consist of corporate income taxes and deferred income taxes resulting from valuation differences. In accordance with Swiss GAAP FER, tax loss carry forwards are not capitalized. This treatment significantly impacts the effective income tax rate as of 30 June 2023.

## 7 Balance Sheet

### Cash and Cash Equivalents

The cash position of the company decreased by kCHF 13'123 during the reporting period. This was mainly due to the dividend payment to shareholders, the share-purchase in SKAN's subsidiary Aseptic Technologies S.A., the repayment of a bank loan, investments in property, plant and equipment and intangible assets, the reclassification of the fixed term deposit and build-up of inventory to ensure the delivery capability.

### Fixed Term Deposit

As of year-end 2022, a fixed term deposit was held with a Swiss bank for a period of six months and disclosed accordingly as a separate position. As of 30.06.2023, the fixed term deposit was terminated and the cash was transferred to cash and cash equivalents.

### Trade Receivables

The main reason for the increase in trade receivables by kCHF 5'769 is the completion of several projects, which were invoiced to the customers within the first half of 2023. In addition to that, the Company shows a continued strong growth of revenues compared to the previous year. This development is caused by the overall growing business of the SKAN Group.

### Other Current Receivables

Other current receivables increased by kCHF 5'005. This increase is mainly caused by high prepayments made to tax authorities and input tax receivables.

### Inventories and Work in Progress

In order to be able to process the high order backlog on time, inventories in SKAN were increased by kCHF 10'567 during the reporting period. This reduces the dependency on international supply chain problems and ensures the future production of equipment already ordered by the customers. The work in progress increased by kCHF 13'819 compared to last year, this was mainly driven by the increase of the volume of projects in progress.

## Prepayments and Accrued income

Prepayments and accrued income increased by kCHF 7'777, primarily due to prepayments to a large project where SKAN acts as general contractor and prepaid expenses (e.g. licences, software maintenance).

## Property, Plant and Equipments

In the reporting period, SKAN increased its property, plant and equipment by kCHF 3'269 to kCHF 91'314. This increase is mainly due to large investments in the expansion of the production sites in Görlitz (DE) and Allschwil (CH) and the regular depreciation, which reduces the book value of the property, plant and equipment.

## Financial Assets

Financial assets increased by kCHF 1'121, mainly due to the investment in the associated entity Plast4Life.

**Advance Payments from Customers**

The advance payments from customers increased by kCHF 24'163 compared to the previous year. The main driver for this is the increase of the volume of projects in progress in the first half of 2023.

in CHF thousands	30.06.2023	31.12.2022
Work in Progress (projects with WIP overhang)	195'605	177'193
Advance payments from customers	-110'897	-106'304
<b>Total Work in Progress (as disclosed in the balance sheet)</b>	<b>84'708</b>	<b>70'889</b>
Work in Progress (projects with advance payment overhang)	204'672	151'716
Advance payments from customers	-353'426	-276'307
<b>Total Advance payments from customers (as disclosed in the balance sheet)</b>	<b>-148'753</b>	<b>-124'590</b>
<b>Net Work in Progress/-Advance payments from customers</b>	<b>-64'045</b>	<b>-53'701</b>

**Non-Current Financial Liabilities**

The change in non-current financial liabilities of kCHF 8'968 is mainly due to repayments of loans from banks for the financing of the production sites in Görlitz (DE).

**Equity**

The decrease in equity is mainly driven by the dividend payments to the shareholders. As per the resolution of the Annual General Meeting of SKAN Group AG held on 3 May 2023, a dividend of CHF 0.25 per registered share was paid out on 9 May 2023. Half of the dividends were paid from capital contributions reserves ("Kapitaleinlagereserven") and the other half from retained earnings.

<b>8</b>	<b>Changes in the Scope of Consolidation</b>
<b>8.1</b>	<b>Changes 2023</b> There was no change in the scope of consolidation in the first half-year of 2023.
<b>8.2</b>	<b>Changes 2022</b> There was no change in the scope of consolidation in the first half-year of 2022.
<b>9</b>	<b>Investments in Associates</b>
<b>9.1</b>	<b>Changes 2023</b> Investment in associated entity Plast4Life (Belgium) held by Aseptic Technologies S.A.
<b>9.2</b>	<b>Changes 2022</b> There was no change within the investments arising from acquisition or disposal in the first half-year 2022.

**10 Foreign Exchange Rates**

Currency	Unit	30.06.23	Average 1st half 2023	31.12.22	30.06.22	Average 1st half 2022
EUR	1	0.9788	0.9856	0.9847	0.9960	1.0319
JPY	100	0.6228	0.6770	0.7000	0.7037	0.7694
USD	1	0.9008	0.9118	0.9232	0.9589	0.9440

**11 Subsequent Events after the Balance Sheet Date**

Between the balance sheet date of the consolidated half-year financial statements ended on 30 June 2023 and the date of the approval of these financial statements by the Board of Directors, no events occurred that would require a change in the consolidated half-year financial statements.



# Abbreviations and Definitions

## Alternative Financial Performance Measures (APM)

- **EBITDA:** Operating result (EBIT) plus depreciation, amortisation.
- **EBITDA margin:** EBITDA as a percentage of net sales from goods and services.
- **EBT:** Profit before income taxes.
- **Equity ratio:** Equity at the end of the period divided by total assets at the end of the period.
- **Headcount:** Number of people employed by SKAN Group at the time indicated (i.e. excluding contractors).
- **Net cash:** Cash and cash equivalents less current and non-current financial liabilities.
- **Net working capital (NWC):** Total current assets (excluding cash and cash equivalents) minus trade payables, advance payments from customers, other current liabilities, current provisions, and accrued liabilities and deferred income.
- **Operating result (EBIT):** Earnings before total financial result and income taxes.
- **Return on capital employed (ROCE):** Operating result (EBIT) divided by the sum of the average total assets minus the average current liabilities, expressed as a percentage.

## Abbreviations and Definitions

- n/a: Not applicable

## Financial Calendar

Annual report 2023, press conference and presentation for financial analysts	26.03.2024
Annual general meeting 2024	07.05.2024

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