

**KATEK**

Lead the category

MEMBER OF PRIMEPULSE

Interim report  
as of 30 June 2021

Q2  
2021

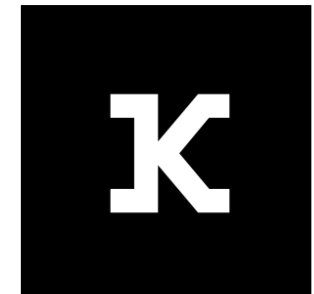


# Clear Vision for the Future

To make KATEK the leading European power house for high-value electronics (HVE)

# Mission Statement

We are a leader in the field of HVE targeting attractive growth markets such as eMobility, Solar, and Healthcare



## At a glance

### Group key figures

(in kEUR)

	H1 2021	H1 2020
Revenue	271,006	182,468
Gross profit	80,857	57,121
EBITDA	17,737	7,656
EBIT	7,953	752
EBITDA adj.	13,379	8,196
Margin EBITDA (adj. )*	5.0%	4.5%
EBIT adj.	5,497	1,292
Net profit or loss of the Group	7,832	2,424
	<b>30.06.2021</b>	<b>31.12.2020</b>
Total assets	372,301	270,521
Equity	149,185	65,093
Equity ratio	40.1%	24.1%

\* in % of total operating performance

### Highlights

- 1) Dynamic growth continues in 2021 with an increase in revenue of +48.5% compared to the first half of last year - H1 2021 revenue of 271.0 MEUR - and thus again significant market share gain (forecast Market Europe 2021 IPC +5.8%). Organic growth of 27.1% year-over-year, mainly driven by continued positive development in Renewables / Solar (+24.2%) and eMobility (+48.9%). Book-to-bill ratio of 1.5 and high order backlog indicate continuation of this development.
- 2) EBITDA H1 2021 with significant increase compared to last year's reference period to 17.7 MEUR (+131.7%). EBITDA adj. H1 2021 increased by 63.2% compared to the reference period of last year to 13.4 MEUR.
- 3) KATEK Management sees the target communicated in the Prospectus (revenue in 2021 > 500 MEUR) confirmed; the current business expectation is increased to a revenue volume of approx. 535 - 560 MEUR for the financial year 2021. The operating result (EBITDA adj.) develops correspondingly positively, with a volume of approx. 27 - 33 MEUR is expected. This represents an increase compared to the previous year in the mid double-digit percentage range.

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## Report of the Management Board

The KATEK Group successfully continued its dynamic growth path in the second quarter of 2021. At more than 271.0 MEUR, revenue in the first half of 2021 is approximately 48.5% higher than in the same period of the previous year. The main drivers of organic growth (+27.1% YoY) continue to be the High Value Electronics projects in the areas of eMobility (+48.9% YoY) and Renewables (+24.2% YoY). KATEK is thus continuing to gain significant market share in a market that, according to the current forecast of the global association for electronics manufacturing - IPC, is expected to grow by around 5.8% in Europe in 2021 (after minus 4.1% in the crisis year 2020).

At the same time, earnings increased significantly compared to the reference period of last year - the first half of the year closed with EBITDA of 17.7 MEUR (+131.7% compared to the reference period of last year). In addition to the sustainable development of the operating business, this is due to a positive effect from the preliminary purchase price allocation of the acquired assets of Leesy in the first quarter of 2021. The operating result (EBITDA adj.) in H1 2021 increased by 63.2% year-over-year to 13.4 MEUR.

The operating margin (EBITDA margin adj.) was 5.0% in H1 2021 (+0.5 percentage points year-over-year) - thus the path of consistently increasing the operating margin was also continued in H1 2021 despite a challenging environment. The measures in this regard are "on track".

The KATEK management is monitoring the challenging situation on the procurement markets very closely. The impairment of international supply chains in connection with the Corona pandemic and extremely increased customer demand in almost all industries

led to bottlenecks, prolongation of delivery times as well as temporary additional costs and price increases in many areas of the economy in 2021, including electronic components such as semiconductors. However, in close cooperation with its customers, KATEK again succeeded in securing key procurement channels in the second quarter and ensuring delivery capability for its customers on a large scale. The activities in this regard, within the framework of a task force, are being consistently continued. However, at the same time it was observed in the second quarter that supply bottlenecks caused by third parties led in individual cases to cutbacks or delays for KATEK's customers. Overall, the figures, especially for the second quarter, are negatively influenced by three effects of material shortages:

- 1) Additional costs for material procurement, both due to temporary price increases and extra costs such as increased freight rates.
- 2) Postponement of sales to later quarters where customers' requirements could not be fully met due to a lack of parts and/or components.
- 3) Temporary inventory build-up, as safety stock levels had to be temporarily increased due to current delivery times of 24 months in some cases for key components.

In summary, although the business performance of the Group as a whole in the first half of 2021 was fully in line with our expectations, revenue and earnings would have been significantly better without the temporary materials crisis.

We expect the adverse effects identified to continue into the second half of 2021, as we despite initial positive signals do not yet expect any significant easing in the supply chains in the short term. However, our assessment is that we will continue to be affected to a lower extent due to our purchasing position, professional

purchasing organization and well-diversified customer mix. The very positive book-to-bill ratio (H1: 1.5) and full order books also indicate that bottlenecks will essentially only lead to a shift in the demand rather than their disappearance. On this basis and due to our strong position in high-growth segments such as renewables, eMobility, and healthcare, we see our previous business expectations for 2021 positively confirmed and are raising our revenue forecast to a volume of around 535 - 560 MEUR for 2021.

The consolidation of the European market for High Value Electronics continues. KATEK has proven to be a key driver of this development over the past years and has continued to be very active in M&A over the past weeks and months. As previously reported, we are pleased to have acquired a majority stake in AISLER B.V. With this acquisition, we are driving innovative platform business models in the electronics industry, as we strongly believe in particular that the customer interface will change significantly in the future due to digitalization. With AISLER B.V. we now have a dynamic team in the KATEK Group with whom we will shape the future of our industry towards more automation, platform thinking and higher agility. AISLER B.V. not only has the potential to be one of the pacesetters in this market, but also to grow rapidly into interesting revenue sizes with very good profit margins.

We are also working on a number of other very interesting M&A opportunities and are assessing their potential. The focus here is on further strengthening our position in the high value segments and advancing our position in markets that could only be occupied organically in the very long term and at great expense.

As is well known, KATEK realized another important step at the beginning of May 2021: Since May 4, the shares of KATEK SE have been admitted to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the

Frankfurt Stock Exchange. With the successful IPO, the foundation has been laid for the consistent continuation of the Group's ambitious development on its way to becoming the leading European powerhouse for high value electronics. KATEK once again extends a warm welcome to the new investors!

Munich, August 2021

KATEK SE

Rainer Koppitz

CEO

Dr. Johannes Fues

CFO

## Consolidated Interim Management Report

### **Fundamental Information about the Group**

#### **Business activity and business model**

The KATEK Group is a leading European electronics company offering hardware and software development, prototyping and manufacturing as well as related services in the market for high-end electronics or electronics services. In this context, the KATEK Group focuses in particular on end markets with high growth rates. As of June 30, 2021, the KATEK Group had 2,669 employees in Germany, Eastern Europe and Asia.

As a management holding company, KATEK SE performs both management and service functions for the entire Group. In addition to the strategic management of the individual operating companies, its activities mainly comprise the provision of commercial service functions.

The activities of the operating Group companies are legally organized into subgroups. The Group companies are managed by the Group's Board of Management in line with a "speed boat" approach. The managing directors of the subgroups are granted as much autonomy as possible in organizing and conducting their operating business, while selected functions in the value chain, such as the sales and procurement process, are integrated and managed centrally.

### **Economic Report**

#### **Macroeconomic environment**

The global economy is basically in a phase of recovery following the global Covid 19 pandemic. Despite the further global spread of the SARS-CoV-2 coronavirus in 2021 and the associated restrictive measures, the global economy recorded positive growth compared with the prior-year period. This growth was also observed in Germany and the rest of Europe. However, the development in the individual countries was characterized by the respective severity of the negative effects from the Covid 19 pandemic and the effectiveness of the national measures. Nevertheless, the fundamental recovery in demand led to massive supply bottlenecks in almost all sectors.

#### **Industry development**

The aforementioned developments can also be seen in the market for electronics products and services: On the one hand, the first six months of 2021 shown an industry-wide organic sales growth of 12.2% for European electronics service providers compared to the same period last year (IPC, Weiss, August 2021), with the IPC forecasting +5.8% for the year as a whole. On the other hand, the sharp rise in demand in particular combined with production and logistics problems, led to significant bottlenecks in global supply chains. This was reflected in some considerable delays and additional costs in the procurement of electronic parts and components. This so-called allocation is seen by all market participants as a fundamental problem where a solution is only expected in the medium term, probably not before early 2022.

## Result of operations, financial position and net asset

### **Earnings situation**

The revenue of KATEK Group in the first half of 2021 (H1 2021) amounted to 271.0 MEUR, an increase of 88.5 million compared to the previous year's reference period (182.5 MEUR). In addition to the growth from company acquisitions, which were not or only slightly included in the previous year, the organic growth impulses resulted from the eMobility and Renewables business areas.

In absolute terms, gross profit increased by 23.8 MEUR to 80.9 MEUR compared to last year (57.1 MEUR). The gross profit ratio in relation to total operating performance in the first half of 2021 was slightly below last year's level at 30.2% (compared to 31.4% in the reference period of last year). This was due to the material bottlenecks and resulting from temporarily higher purchase prices. However, the ongoing operational optimization projects are already having a positive impact and will continue to do so in subsequent periods.

Other operating income (H1 2021: 14.7 MEUR; H1 2020: 2.3 MEUR) includes the bargain purchase from the preliminary purchase price allocation in the context of the acquisition of the Leesy assets in the amount of approximately 11.5 MEUR.

Personnel expenses increased from 39.4 MEUR in H1 2020 to 56.0 MEUR in H1 2021. The main effects resulted from the employees taken over in the context of the business acquisitions. In relation to total operating performance, the personnel cost ratio improved by 0.8 percentage points to 20.9% in H1 2021 (previous year: 21.7%).

The increase in other operating expenses from 12.3 MEUR in H1 2020 to 21.8 MEUR in H1 2021 was related to the first-time consolidation of the acquired companies as well as consulting costs in connection with the IPO.

EBITDA in H1 2021 was 17.7 MEUR (EBITDA margin: 6.6%), significantly above the previous year's figure of 7.7 MEUR (EBITDA margin: 4.2%). In addition to the strong operational development, this was also due to the positive effect from the preliminary purchase price allocation of the acquired assets of Leesy. EBIT amounted to 8.0 MEUR in H1 2021 (H1 2020: 0.8 MEUR). The EBIT margin increased from 0.4% in H1 2020 to 3.0% in H1 2021.

The income of 0.6 MEUR included in the exchange rate differences resulted mainly from the valuation of foreign exchange contracts as of June 30, 2021.

The income taxes of 0.8 MEUR (previous year: 3.1 MEUR) was mainly due to deferred taxes.

Net profit or loss attributable to the shareholders of KATEK SE amounted to 7.8 MEUR in H1 2021 (previous year: 2.4 MEUR).

### **Financial and asset position**

As of June 30, 2021, total assets of KATEK Group amounted to 372.3 MEUR, 101.8 MEUR higher than total assets as of December 31, 2020 of 270.5 MEUR.

Non-current assets increased by 22.2 MEUR. The main reasons for the increase in property, plant and equipment (+20.4 MEUR) due to the assets acquired in the Leesy transaction and further investments. The increase in goodwill (+1.7 MEUR) was due to the acquisition of the Aisler Group in May 2021.

The development of current assets was due to the increase in inventories, trade receivables and cash and cash equivalents. The increase in inventories resulted mainly from two effects: Firstly, the KATEK Leipzig Group first-time consolidation following completion of the acquisition in February 2021. Secondly, there was a precautionary increase in inventories as a result of the previously



reported challenges on the procurement markets. Together, this has reflected in an increase in inventories by 32.9 MEUR to 139.9 MEUR (December 31, 2020: 107.0 MEUR). In addition, the significantly higher revenue compared to the end of 2020 resulted in a higher level of receivables of 31.3 MEUR (+8.0 MEUR). The higher cash and cash equivalents were mainly due to the cash inflows from the IPO.

Equity amounted to 149.2 MEUR as of June 30, 2021 (December 31, 2020: 65.1 MEUR). The increase was mainly due to the IPO of KATEK SE. Further explanations on equity are given in the notes to the consolidated financial statements. The equity ratio amounted to 40.1% (December 31, 2020: 24.1%).

Non-current liabilities increased by 9.8 MEUR to 84.4 MEUR (December 31, 2020: 74.6 MEUR). This was mainly due to the increase in lease liabilities of 5.5 MEUR and in other non-current financial liabilities (from financing agreements for the acquisition or manufacture of technical equipment and machinery) of 4.1 MEUR.

Current liabilities increased from 130.9 MEUR as of December 31, 2020 to 138.7 MEUR as of June 30, 2021 (+7.8 MEUR). Trade payables increased (+20.7 MEUR to 64.1 MEUR) in particular due to the first-time consolidation of the KATEK Leipzig Group on the one hand and due to the operating business development on the other hand.

Current loans showed an opposite development (-15.4 MEUR) due to repayments of loans and a lower utilization of short-term overdraft facilities. Other financial liabilities decreased due to the redemption of financial liabilities.

As of June 30, 2021, KATEK reports net bank debt of 0.5 MEUR (December 31, 2020: 51.0 MEUR).

The increase in working capital resulted in a negative cash flow from operating activities of -9.7 MEUR in H1 2021 (H1 2020: -0.2 MEUR).

Cash flow from investing activities of -5.9 MEUR (H1 2020: -10.8 MEUR) is mainly due to investments in property, plant and equipment and payments in connection with the Leesy asset deal. The offsetting cash inflows from disposals of property, plant and equipment were mainly due to the sale of the land and buildings of KATEK Leipzig.

Cash flow from financing activities in H1 2021 amounted to 59.1 MEUR (H1 2020: 10.0 MEUR). In H1 2021, the proceeds from the IPO of 75.2 MEUR were mainly offset by payments for the scheduled amortisation of loans and lease obligations. In the previous year, cash flow from financing activities was mainly influenced by short-term financing of PRIMEPULSE SE.

## Employees

As of June 30, 2021, the KATEK Group had 2,669 employees (June 30, 2020: 2,204).

## **Opportunities and Risks of Future Development**

As a technology group operating across borders in dynamic markets, KATEK encounters numerous opportunities and risks that can have a significant impact on business development and the associated financial position, net assets and operational results. Entrepreneurial opportunities are always associated with certain risks. For this reason, KATEK's goal is to sustainably increase the value of the company on the basis of an optimal opportunity/risk ratio.

The principles of value-oriented, responsible corporate management include taking advantage of entrepreneurial opportunities while at the same time managing the associated risks with foresight. KATEK's management continuously assesses opportunities & risks for the various business areas and derives appropriate targets and measures from this.

KATEK has an appropriate risk management system in place to identify critical developments and potential risks at an early stage and to analyze, evaluate, manage and document them in greater detail.

### **Risks to future development**

Management has identified significant risk factors for the future development of the Company in the following areas in particular:

#### *a) Macroeconomic and industry-specific risks*

Economic risks: KATEK develops electronic solutions for customers in a wide variety of end markets. If demand for such electronic solutions were to decline as a result of recessionary economic developments, this could have a negative impact on the KATEK Group's business development.

The special situation due to the Covid 19 pandemic could lead to more cautious purchasing behavior on the part of customers, which could result in demand shifts to subsequent periods and challenges in managing inventory. KATEK permanently monitors supply chains and target industries to ensure short-term responsiveness for changes in procurement and sales markets.

Furthermore, economic policy factors such as trade disputes between China and the USA, unstable political conditions in numerous countries and the introduction of customs duties could have a negative impact on international trade in electronic components and groups. At the same time, KATEK sees this as an opportunity due to the customer-oriented potential for bringing back electronic volumes from Asian countries ("reshoring").

Competitive intensity: The KATEK Group operates in a fragmented industry with attractive development opportunities. Should the intensity of competition in these sectors increase, this could reduce KATEK's profit margins on the one hand and lead to predatory competition within this industry on the other hand. However, KATEK is pursuing an active consolidation strategy in the European electronics industry and in this respect sees itself in an active role.

#### *b) M&A risks*

In recent years, the KATEK Group's strategy has been to complement organic growth with corporate acquisitions, thereby strengthening its own market position and realizing synergy effects. The KATEK Group also plans to acquire further companies in the future. In this context, risks exist in the areas of selection, examination, and integration of target companies. KATEK counters these risks by deploying specialized and particularly experienced teams that ensure the careful examination and evaluation of economic, legal and tax issues throughout the entire process and

has a very good track record thanks to the acquisition and integration of nine transactions since KATEK SE was founded.

*c) Purchasing and supply chain risks*

The KATEK Group sources essential components for electronic solutions to international component manufacturers and suppliers. In addition to the general import risk inherent in international trade relations, the fragility of global supply chains was highlighted during the Covid 19 pandemic. Numerous bottlenecks, for example for semiconductors, are testing the ability of many companies to deliver and could trigger additional costs for development and changes, in addition to limited delivery capability and unattractive conditions by dealing with alternative suppliers. Among others, this is causing a general increase in the price level for such components. Due to its professional purchasing organization, excellent supplier relationships, active procurement group management and well-thought-out warehouse policy, the KATEK Group is confident that it will be able to ensure delivery capability while maintaining attractive margins and circumvent or partially compensate for any unavailability of components triggered by lockdowns, for example.

*d) Sales risks*

Sales risks of the KATEK SE Group result mainly from the risk of losing solvent customers, in particular as a result of economic developments triggered by the Corona pandemic, for example in the form of changed consumer behavior, insufficient fulfillment of customer expectations, and a delay in incoming orders from KATEK's customers.

*e) Research & development risks*

In order to remain competitive and to maintain and further expand market-leading positions, it is essential for KATEK to identify new

trends in the target industries and at process level and to invest in the (further) development of corresponding technologies. This involves general investment and implementation risks. By focusing on its core competencies and working closely with customers, the KATEK Group strives to minimize this risk.

*f) Personnel risks*

As a specialized technology service provider with in-depth knowledge of various production processes and end markets, the success of the KATEK Group depends to a large extent on well-trained, motivated and incentivized employees. In this context, there is a risk that KATEK may not be able to find these employees to the extent required or retain them in the long term. The Group counters this with targeted personnel development, attractive career opportunities, and a progressive remuneration profile.

## Opportunities for future development

In the following, we provide an overview of the opportunities or possible future developments or events with a positive impact on the KATEK Group.

On the one hand, KATEK has been observing for some time, but especially since the change in supply chains brought about by Covid-19, that customers are increasingly valuing geographical proximity as a competitive advantage in phases of development, but also in series supply. Through so-called reshoring, dependencies on international supply chains as well as price fluctuations, especially for logistics services, can be minimized and thus business operations can be maintained. With 13 locations in Europe, KATEK considers itself very well positioned to participate in this reshoring of supply chains in the electronics industry.

Another opportunity for KATEK arises from the increasing importance of electronic components for a variety of products. The electrification of the world through IoT or smart devices increases the complexity and value of products in almost all areas, both in the industrial environment and for consumer goods. On the one hand, this increasing share of electronics is leading to growth in the markets for components and services, but on the other hand, it is also placing increased demands on OEMs. KATEK is very well positioned here as a competent partner across the entire value chain (from development and production to logistics and after sales) to support OEMs in mastering this paradigm shift.

Furthermore, KATEK expects strong growth for electronics services due to changing regulatory framework conditions. These include, for example, the EU regulation regarding electromobility, which envisages emission-free mobility by 2035, or that which stipulates the share of renewable energies in Europe to be 40% by 2030. This will have a significant positive impact on KATEK's business

expectations as we contribute to the transformation in Europe with our solutions in these areas. This will make the end markets that are attractive to KATEK even more attractive in the future and increase demand for the end products on the one hand, but also for the specialized services provided by the companies in the KATEK Group on the other.

## Forecast Report

### Development of the overall economic environment

The global economy is in recovery mode following the Corona pandemic. The International Monetary Fund (IMF) expects global gross domestic product (GDP) to increase by 6.0 percent in 2021 and, according to its latest publication, now forecasts growth of 4.9 percent for 2022, up from 4.4 percent previously.

Compared with the last forecasts, the forecasts for emerging and developing countries were slightly lowered, while there were increases for the industrialized countries. These developments were justified by the fact that the respective developments have to do with the corresponding access to vaccines.

According to the IMF, the extensive U.S. economic stimulus programs are an important support for the global economy. However, there is now also a risk of increased inflation, which would ultimately lead to a tightening of monetary policy and poorer financing conditions for emerging and developing countries.

The growth forecasts for the euro zone for 2021 and 2022 are 4.6 percent and 4.3 percent respectively. For Germany, the IMF expects GDP to rise by 3.6 percent in 2021 and by 4.1 percent in 2022.

IMF projections are based on the assumption that local transmission of coronavirus will have fallen to low levels everywhere by the end

of 2022, due to a combination of more targeted precautions and improved access to vaccines and therapies.

## Forecast for the KATEK Group

Based on the economic developments listed above, the Management Board of KATEK SE expects the very positive business development to continue overall for the full year 2021. The current assumptions are based on the knowledge currently available on the direct and indirect effects of the Covid 19 crisis and the temporary shortage of materials. However, it should be noted that KATEK has proven to be extremely crisis-resistant in this respect in the past. This is reflected in the assessment of relevant control parameters. In the context of forward-looking statements, these are in particular revenue and EBITDA adj. The EBITDA adj. allows KATEK to assess the development of operating earnings excluding non-recurring and one-off effects and thus to estimate the development of actual operating performance over time. For the fiscal year 2021, KATEK provides the following forecast:

- Revenue: Based on the currently known environment and the strong position in High Growth segments such as Renewables, eMobility and Healthcare, which will be further strengthened by the recent political decisions on EU level and the general social and scientific discourse on climate change and aging population, KATEK sees the previous business expectation for 2021 confirmed in a positive way. Against this background, KATEK expects to generate consolidated revenue of approx. 535 to 560 MEUR for 2021.

- EBITDA adj.: Taking into account the currently known environment and the sustainable optimization projects currently being implemented - some of which will already have an effect in the second half of the year, and some of which will have an effect in the following years - KATEK assumes an increase in the operating result (EBITDA adj.) to approx. 27.0 to 33.0 MEUR for the financial year 2021. This corresponds to an increase of approximately 30% to 59% compared to the previous year (EBITDA adj. 2020: 20.8 MEUR).

## Classification of forward-looking statements:

This document contains forward-looking statements about our current views with respect to future events. Words such as "anticipate," "assume," "believe," "assume," "estimate," "expect," "intend," "may/might," "plan," "project," "should" and similar expressions identify such forward-looking statements. These statements are subject to a number of risks and uncertainties. Some examples are an unfavorable development of the global economic situation, unavoidable events of force majeure such as natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their consequential effects on our sales, purchasing, production or financing activities, changes in exchange rates, customs and foreign trade regulations, interruptions in production due to material shortages, some of which are described in this interim report under the heading "Risk and opportunities report". If any of these uncertainties or contingencies materialize, or if the assumptions underlying any forward-looking statements prove incorrect, actual results may be materially different from those expressed or implied by such statements. We

neither intend nor assume any obligation to update forward-looking statements on an ongoing basis, as they are based solely on circumstances as of the date of publication.

## Consolidated Half-year Financial Statements

### Consolidated Statement of Profit and Loss

in kEUR	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
<b>Revenue</b>	<b>271,006</b>	<b>182,468</b>
Changes in inventories	-3,437	-841
Own work capitalized	65	283
<b>Total operating performance</b>	<b>267,633</b>	<b>181,910</b>
Cost of materials	-186,777	-124,789
<b>Gross profit</b>	<b>80,857</b>	<b>57,121</b>
Other operating income	14,693	2,328
Personnel expenses	-55,976	-39,447
Other operating expenses	-21,836	-12,347
<b>EBITDA</b>	<b>17,737</b>	<b>7,656</b>
Depreciation and amortisation	-9,784	-6,904
<b>Earnings before interest and taxes (EBIT)</b>	<b>7,953</b>	<b>752</b>
Financial income	19	29
Finance costs	-1,520	-1,693
Exchange rate differences	586	217
<b>Earnings before tax</b>	<b>7,037</b>	<b>-695</b>
Income taxes	777	3,119
<b>Net profit and loss of the Group</b>	<b>7,814</b>	<b>2,424</b>
thereof attributable to non-controlling shareholders	-18	0
<b>thereof attributable to shareholders of KATEK SE</b>	<b>7,832</b>	<b>2,424</b>
Number of shares (weighted average)	10,897,788	9,808,800
Basic and diluted earnings per share in EUR	0.72	0.25

## Consolidated Statement of Comprehensive Income

	<b>01.01.2021 -</b>	<b>01.01.2020 -</b>
<b>in kEUR</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
<b>Net profit and loss of the Group</b>	7,814	2,424
<b>Other comprehensive income</b>		
<b>Items that may subsequently recycled through profit or loss</b>		
Exchange rate differences arising from currency translation during the financial year	128	-226
	<b>128</b>	<b>-226</b>
<b>Items that may not subsequently recycled through profit or loss</b>		
Change in actuarial gains / losses from pensions	134	31
Deferred taxes from changes in actuarial gains / losses from pensions	-40	-8
	<b>94</b>	<b>23</b>
<b>Other comprehensive income after taxes</b>	<b>222</b>	<b>-203</b>
<b>Comprehensive income</b>	<b>8,035</b>	<b>2,221</b>
thereof attributable to non-controlling shareholders	-18	0
thereof attributable to shareholders of KATEK SE	8,054	2,221



## Consolidated Balance Sheet

### ASSETS

in kEUR	30.06.2021	31.12.2020
<b>Non-current assets</b>		
Property, plant and equipment	88,698	68,269
Goodwill	10,198	8,521
Other intangible assets	9,202	9,944
Financial assets	8	8
Employee benefits	426	264
Other financial assets	132	57
Deferred tax assets	8,687	8,059
<b>Total non-current assets</b>	<b>117,351</b>	<b>95,122</b>
<b>Current assets</b>		
Inventories	139,889	106,961
Trade receivables	31,289	23,346
Other financial assets	10,460	8,311
Income tax receivables	142	215
Other assets and prepaid expenses	4,606	1,114
Cash and cash equivalents	68,563	35,453
<b>Total current assets</b>	<b>254,950</b>	<b>175,399</b>
<b>Total Assets</b>	<b>372,301</b>	<b>270,521</b>

**EQUITY AND LIABILITIES**

in kEUR

	<b>30.06.2021</b>	<b>31.12.2020</b>
<b>Capital and reserves</b>		
Subscribed capital	13,242	146
Capital reserve	110,992	48,854
Retained earnings	24,147	16,093
Shareholder's equity of the parent company	148,381	65,093
Non-controlling interests	804	0
<b>Total equity</b>	<b>149,185</b>	<b>65,093</b>
<b>Non-current liabilities</b>		
Long-term loans	36,914	38,967
Provisions for pensions and similar obligations	2,003	2,000
Other accrued liabilities	497	440
Other financial liabilities	41,261	31,707
Other liabilities	507	580
Deferred tax liabilities	3,253	882
<b>Total non-current liabilities</b>	<b>84,435</b>	<b>74,576</b>
<b>Current liabilities</b>		
Short-term loans	32,139	47,510
Other provisions	7,076	9,121
Trade payables	64,119	43,421
Payments received on account of orders	2,688	3,258
Other financial liabilities	8,809	14,594
Income tax liabilities	3,765	982
Other liabilities and deferred income	20,085	11,968
<b>Total current liabilities</b>	<b>138,681</b>	<b>130,852</b>
<b>Total liabilities</b>	<b>223,116</b>	<b>205,428</b>
<b>Total equity and liabilities</b>	<b>372,301</b>	<b>270,521</b>

## Consolidated Statement of Cash Flow

<b>in kEUR</b>	<b>01.01.2021 - 30.06.2021</b>	<b>01.01.2020 - 30.06.2020</b>
<b>Cash flows from operating activities</b>		
Earnings after tax	7,814	2,424
Income tax expense/(income tax)	-776	-3,119
Interest expense/(income)	1,501	1,665
Amortization of intangible assets and financial assets, depreciation of property, plant and equipment	9,784	6,904
(Increase)/decrease of provisions	-1,910	249
Other non-cash expenses/income	-11,538	-585
(Gain)/loss on disposal of non-current assets	36	-159
(Increase)/decrease in inventories, trade receivables and other assets	-39,366	-25,984
(Increase)/decrease in trade payables and other liabilities	24,955	19,746
Interest received	19	29
<b>Cash inflow/outflow from operating activities</b>	<b>-9,483</b>	<b>1,169</b>
Income taxes paid	-256	-1,378
<b>Net cash inflow/outflow from operating activities</b>	<b>-9,739</b>	<b>-209</b>

<b>in kEUR</b>	<b>01.01.2021 - 30.06.2021</b>	<b>01.01.2020 - 30.06.2020</b>
<b>Cash flows from investing activities</b>		
Cash received from the disposal of intangible assets	84	0
Cash paid for intangible assets	-298	-803
Cash received from the disposal of property, plant and equipment	11,026	602
Cash paid for property, plant and equipment	-8,249	-9,480
Cash paid for additions to the consolidated group less cash and cash equivalents acquired	-8,440	-1,099
<b>Net cash inflow/outflow from investing activities</b>	<b>-5,876</b>	<b>-10,779</b>

<b>in kEUR</b>	<b>01.01.2021 - 30.06.2021</b>	<b>01.01.2020 - 30.06.2020</b>
<b>Cash flows from financing activities</b>		
Cash received from issuance of stock by other stakeholders	75,234	0
Cash received from borrowing	6,716	24,526
Cash repayment of loans and lease liabilities	-12,456	-24,041
Cash received from subsidies/grants	14	270
Cash received from liabilities to shareholders	0	10,947
Cash paid of liabilities to shareholders	-7,674	0
Interest paid	-2,764	-1,680
<b>Net cash inflow/outflow from financing activities</b>	<b>59,070</b>	<b>10,022</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>43,455</b>	<b>-966</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>3,582</b>	<b>8,449</b>
Changes in cash and cash equivalents due to exchange rates and changes in valuation	-392	383
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>46,645</b>	<b>7,865</b>
thereof: bank balances and cash on hand	68,563	9,973
thereof: liabilities to banks	21,919	2,108

## Consolidated Statement of Changes in Equity

	Subscribed capital	Capital reserve	Revenue reserves			Thereof attributable to shareholders of the parent company	Thereof non-controlling interests	Total
			Reserve for actuarial gains/losses	Foreign currency translation reserve	Other			
			in kEUR	in kEUR	in kEUR			
<b>01.01.2021</b>	146	48,854	-111	-139	16,343	<b>65,093</b>	0	<b>65,093</b>
Net profit and loss of the Group	0	0	0	0	7,832	<b>7,832</b>	-18	<b>7,814</b>
Capital increase from shareholders	3,433	71,801	0	0	0	<b>75,234</b>	0	<b>75,234</b>
Capital increase from company funds	9,662	-9,662	0	0	0	<b>0</b>	0	<b>0</b>
Adjustment to reserves (OCI)	0	0	94	0	0	<b>94</b>	0	<b>94</b>
Effects from changes of the scope of consolidation	0	0	0	0	0	<b>0</b>	822	<b>822</b>
Exchange rate gains and losses	0	0	0	128	0	<b>128</b>	0	<b>128</b>
<b>30.06.2021</b>	<b>13,242</b>	<b>110,992</b>	<b>-16</b>	<b>-12</b>	<b>24,175</b>	<b>148,381</b>	<b>804</b>	<b>149,185</b>

	Subscribed capital	Capital reserve	Revenue reserves			Thereof attributable to shareholders of the parent company	Thereof non-controlling interests	Total
			Reserve for actuarial gains/losses	Reserve from foreign currency translation	Other			
			in kEUR	in kEUR	in kEUR			
<b>01.01.2020</b>	120	4,880	-254	16	14,752	<b>19,514</b>	0	<b>19,514</b>
Net profit and loss of the Group	0	0	0	0	2,424	<b>2,424</b>	0	<b>2,424</b>
Adjustment to reserves (OCI)	0	0	23	0	0	<b>23</b>	0	<b>23</b>
Exchange rate gains and losses	0	0	0	-226	0	<b>-226</b>	0	<b>-226</b>
<b>30.06.2020</b>	<b>120</b>	<b>4,880</b>	<b>-231</b>	<b>-211</b>	<b>17,176</b>	<b>21,735</b>	<b>0</b>	<b>21,735</b>

## Notes to the Consolidated Financial Statements

### A. Basics

#### 1. General information

The consolidated financial statements of KATEK SE, Munich, and its subsidiaries (hereinafter referred to as "KATEK", "KATEK Group" or "Group") were prepared for the reporting period (first half of the financial year 2021) in accordance with International Financial Reporting Standards (IFRS, as endorsed by the EU) and, in additional, with the applicable provisions of German commercial law.

KATEK is a global player and leading European services provider of electronics with subsidiaries in Düsseldorf, Frickenhausen, Grassau, Leipzig, Mauerstetten, Memmingen and Wendlingen as well as international locations in Bulgaria, Lithuania, Malaysia, the Netherlands, Switzerland, Singapore, the Czech Republic, Hungary and the USA. The product and service spectrum covers the entire life cycle of electronic assemblies and devices from development through to materials management and project management, manufacture, box-build, testing technologies and logistics, and after-sales services - from small-volume series and prototypes through to mass series and for all kinds of sectors.

The consolidated financial statements are presented in euros. Unless otherwise indicated, all amounts are stated in thousands of euros (kEUR or € thousand). In isolated cases there may be rounding differences in sums not being entirely accurate or in percentages not equating exactly with the stated figures. To aid clarity, we have combined individual line items in the consolidated statement of profit and loss of financial position. The breakdown of these items is listed in the notes to the consolidated financial statements. The consolidated statement of profit and loss has been prepared using the nature of expense method.

The reporting period covers the period from January 1, 2021 to June 30, 2021 (comparative period: January 1, 2020 to June 30, 2020). The registered offices of KATEK SE are located at Promenadeplatz 12, 80333 Munich, Germany. KATEK SE is entered in the commercial register at the local court of Munich under the commercial register number HRB 245284.

Since the IPO on May 4, 2021, the shares are traded on the regulated market of the Frankfurt Stock Exchange under ISIN DE000A2TSQH7 and are admitted to the Prime Standard.

These consolidated half-year financial statements have been prepared in accordance with IAS 34; they are condensed financial statements. They have not been audited or reviewed by an auditor. These consolidated half-year financial statements should be read in conjunction with the IFRS consolidated financial statements published for the 2020 financial year. These are available on the internet at [www.katek-group.de](http://www.katek-group.de).



## 2. Application of new accounting standards

The KATEK Group has applied the following pronouncements or amendments to pronouncements of the IASB or the IFRS IC for the first time in the reporting period (from January 1, 2021 to June 30, 2021):

- Amendment to IFRS 4 (name of the amendment: "Insurance Contracts - Applying of IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts").
- Amendment IAS 39, IFRS 7, IFRS 4, IFRS 16 (name of the amendment: "Reform of Reference Rates - Phase 2").

The aforementioned rule changes have no material impact on the KATEK Group's net assets, financial position and results of operations or on its cash flows.

## 3. Consolidated Group

In addition to KATEK SE, all domestic and foreign subsidiaries are included in the consolidated financial statements.

A subsidiary is an entity that is controlled by KATEK SE. Control is when KATEK SE is exposed to or has the right to variable returns from its involvement with the investee and has the rights to these returns and is able to use power over the investee to affect the amount of these return.

The scope of consolidation as of June 30, 2021 is as follows:

	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
01 January 2021	9	3	12
Majority acquisition	1	4	5
Incorporation	0	2	2
<b>30 June 2021</b>	<b>10</b>	<b>9</b>	<b>19</b>

In total, 19 entities are fully consolidated in the consolidated financial statements of KATEK SE.

### **Changes in the consolidated Group**

Changes at the German entities are presented in the following tables:

<b>Domestic</b>	<b>Merger</b>	<b>Incorporation</b>	<b>Spin-off</b>	<b>Liquidation</b>	<b>Acquisition</b>
TeleAlarm Europe GmbH, Leipzig					X

Outside Germany, there was the following change in the scope of consolidation in the reporting period just ended:

<b>Foreign</b>	<b>Merger</b>	<b>Incorporation</b>	<b>Spin-off</b>	<b>Liquidation</b>	<b>Acquisition</b>
TeleAlarm SA, La Chaux-de-Fonds/Switzerland					X
KATEK LT UAB, Panevėžys/Lithuania					X
KATEK SINGAPORE PTE. LTD., Singapore		X			
BEFLEX ELECTRONIC MALAYSIA SDN. BHD., Kuala Kabu Baru/Malaysia		X			
AISLER B.V., Baals/Netherlands					X
Aisler Americas Inc, Claymont, Delaware/USA					X

### **Acquisitions**

#### **Acquisition of Leesy Group**

Effective 01 February 2021, KATEK Leipzig GmbH, a wholly-owned subsidiary of KATEK SE, Munich, acquired a significant part of the assets from the insolvency estate of Leesy Leipzig Electronic Systems GmbH, Leipzig, and thus also the shares in the Lithuanian subsidiary and the TeleAlarm Group, as part of an asset deal.

The date of the first-time consolidation of the assets and acquired companies was February 1, 2021.

The purchase price paid amounts to EUR 8,722 thousand and was settled by the transfer of cash and cash equivalents.

The preliminary purchase price allocation as of June 30, 2021 resulted in a bargain purchase of approximately 11.5 MEUR (preliminary).

The following assets and liabilities were assumed in the course of the business combination:

<b>in kEUR</b>	<b>Fair value</b>
<b>Purchase price</b>	
Cash and cash equivalents	8,722
<b>Total consideration transferred</b>	<b>8,722</b>
<b>Fair value of acquired assets and liabilities</b>	
Intangible assets	26
Fixed assets	23,509
Inventories	3,971
Trade receivables	651
Other assets	922
Cash and cash equivalents	1,188
Provisions	104
Loans	880
Trade payables	509
Other liabilities	3,192

Deferred tax liabilities	5,381
<b>Fair value of acquired net assets</b>	<b>20.201</b>
<b>Preliminary bargain purchase</b>	<b>11,478</b>

### Acquisition Aisler Group

Effective in May 2021, KATEK SE, Munich, acquired 50.01% of the shares in AISLER B.V., a forward-looking and fast-growing online provider of "fabless electronics prototyping". The acquisition serves to drive the automation of processes at customers and suppliers interfaces and the use of artificial intelligence, which will play an increasingly important role in the electronics industry in the future.

For reasons of simplification, the date of initial consolidation was 1 June 2021. The purchase price for 50.01% of the shares amounts to EUR 2,500 thousand and was settled by the transfer of cash and cash equivalents.

The preliminary purchase price allocation as of June 30, 2021 resulted in goodwill of EUR 1,666 thousand. The following balance sheet items were acquired with the business combination:

in kEUR	Fair value
<b>Purchase price for 50.01% of the shares</b>	
Cash and cash equivalents	2,500
<b>Total consideration transferred</b>	<b>2,500</b>
<b>Fair value of acquired assets and liabilities</b>	
Fixed assets	7
Inventories	1
Trade receivables	27
Other assets	131
Cash and cash equivalents	1,596
Provisions	3
Trade payables	64
Other liabilities	26

<b>Fair value of acquired net assets (100%)</b>	<b>1.668</b>
<b>Fair value of acquired net assets (50.01%)</b>	<b>834</b>
<b>Preliminary goodwill</b>	<b>1,666</b>

### **Incorporation of subsidiaries in Asia**

In H1 2021, BEFLEX ELECTRONIC MALAYSIA SDN. BHD., Kuala Kabu Baru/Malaysia and KATEK SINGAPORE PTE. LTD., Singapore were incorporated. They represent a significant cornerstone for electronics development and manufacturing in a global context.

### **4. Accounting policies**

The consolidated half-year financial statements for 2021 have been prepared using the same accounting policies as those applied in the preparation of the consolidated financial statements for the 2020 financial year. The accounting policies can be found in section A.4 of the consolidated financial statements 2020.

Earnings per share are reported for the first time in the interim consolidated financial statements. Earnings per share are calculated by dividing the consolidated earnings attributable to the shareholders of KATEK SE by the weighted number of shares in KATEK SE. Earnings per share are also stated for the comparative period.

## **B. Notes of significant changes in the current reporting period**

### **1. Significant events and transactions**

Effective as of 01 February 2021, KATEK Leipzig GmbH, Leipzig, a wholly-owned subsidiary of KATEK SE, Munich, acquired significant part of the assets from the insolvency estate of Leesys Leipzig Electronic Systems GmbH, Leipzig, as part of an asset deal.

An extraordinary general meeting of KATEK SE was held on March 19, 2021. At this meeting, it was resolved to increase the share capital from company funds. This was done by partially converting the capital reserve into share capital in the amount of EUR 9,662,400.00. The capital

increase was carried out by issuing 9,662,400 new no-par value bearer shares with a notional share in the share capital of EUR 1.00 each to the shareholders of the Company. Existing shareholders were entitled to the new shares at a ratio of 1 to 66. The capital increase from company funds became effective upon registration of the amendment to the Articles of Association on April 07, 2021. The new shares are entitled to participate in profits from January 01, 2021.

By letter dated March 16, 2021, Dr. Benjamin Klein resigned from his position as a member of the Supervisory Board of KATEK SE with effect from March 31, 2021. At the extraordinary general meeting on March 19, 2021, Mr. Andreas Müller, CEO of S.D.L. Süddeutsche Leasing AG, Elchingen, was appointed as a member of the Supervisory Board with effect from April 1, 2021.

Furthermore, the extraordinary general meeting of KATEK SE on March 19, 2021 resolved to increase the number of members of the Company's Supervisory Board from three to four members, which became effective in combination with the amendment of the Articles of Association and registration in the commercial register. Mr. Hannes Niederhauser, Chairman of the Management Board of S&T AG, Linz, Austria, was appointed as a new member of the Supervisory Board effective from the date of entry of the revised version of the Articles of Association. The amendment to the Articles of Association was entered in the commercial register on April 07, 2021.

The extraordinary general meeting of KATEK SE on April 20, 2021, resolved to increase the share capital by EUR 3,433,080.00. The corresponding amendment to the Articles of Association regarding the share capital was entered in the commercial register on April 29, 2021. Thus, the capital increase was implemented and the new share capital amounted to EUR 13,241,880.00.

On May 4, 2021, shares of KATEK SE were successfully placed on the Frankfurt Stock Exchange at an issue price of EUR 23.00 per share. All shares from the capital increase of April 29, 2021 were offered.

## **2. Equity**

### ***Subscribed capital***

The issued capital of KATEK SE amounts to EUR 13,241,880 (previous year: EUR 146,400) and is fully paid up. The shares are 13,241,880 ordinary and no-par value bearer shares. By resolution of the extraordinary general meeting on March 19, 2021 and entry in the commercial register on April 07, 2021, the share capital was increased in the amount of EUR 9,662,400 by way of a capital increase from company funds through partial conversion of the capital reserve. The capital increase was carried out by issuing 9,662,400 new no-par value bearer shares with a notional interest in the share capital of EUR 1.00 each to the existing shareholders of the Company at a ratio of 1 to 66. At the extraordinary general meeting on April 20, it was resolved to increase the share capital by EUR 3,433,080 by issuing new shares at EUR 1.00 each on the capital market. This capital increase became effective upon registration of the amendment to the Articles of Association on April

29, 2021. The share capital now amounts to EUR 13,241,880. The placement of the shares from the capital increase on the capital market took place on May 04, 2021.

***Capital reserve***

The capital reserve amounts to EUR 110,992,320 (previous year: EUR 48,853,600). By resolution of the extraordinary shareholders' meeting on March 19, 2021 and entry in the commercial register on April 07, 2021, the capital reserve was initially reduced by EUR 9,662,500 to 39,191,100. The IPO on May 04, 2021 resulted in an additional payment from the issue of 3,433,080 no-par value shares in the amount of EUR 71,801,120.

***Retained earnings***

The retained earnings include profit or loss carryforwards generated in the past by the companies included in the consolidated financial statements as well as other comprehensive income consisting of the reserve for actuarial gains or losses and the reserve from foreign currency translation reserve.

The reserve for actuarial gains and losses increased by EUR 94k to EUR -16k in the financial year 2020 (previous year: EUR -111k). The effects of remeasurements of the defined benefit obligation is posted directly to other comprehensive income and accumulated in the reserve of actuarial gains and losses.

The foreign currency translation reserve increased by EUR 127k to EUR -12k in the financial year 2020 (previous year: EUR -139k). Exchange rate differences arising from the translation of the functional currency of foreign operations into the presentation currency of the Group are recorded directly in other comprehensive income and accumulated in the reserve for foreign currency translation.

**C. Other information**

**1. Relationships with related companies and persons**

Related parties are shareholders with significant influence over the KATEK Group, associates, joint ventures, unconsolidated subsidiaries and persons who have significant influence over KATEK and the financial and operating policies of the Group. Persons with significant influence on the financial and operating policies of the Group include all key management personnel and their close family members. Within the Group, this applies to the members of the management of the parent company.

***Information on affiliated companies***

In the ordinary course of business, KATEK SE and its subsidiaries have business relationships with numerous companies.

In the year under review, transactions were conducted with related companies, resulting in liabilities of EUR 84k, receivables of EUR 162k, expenses of EUR 684k and income of EUR 1,540k. All business relationships have been concluded at arm's length conditions and do not differ from the supply and service relationships with other companies.

**2. Organs of the company**

Members of the Board of Directors in the reporting period were:

Rainer Koppitz CEO, Munich	Chairman of the Board
Dr. Johannes Fues CFO, Munich	Board member



In the reporting period, the Supervisory Board activities were performed by the following persons:

Klaus Weinmann Chairman of the Board of PRIMEPULSE SE, Munich	Chairman
Stefan Kober Entrepreneur, Jettingen-Scheppach	Deputy Chairman
Dr. Benjamin Klein CFO of PRIMEPULSE SE, Munich	Until March 31, 2021
Andreas Müller Chairman of the Board of Management of S.D.L. Süddeutsche Leasing AG, Elchingen	Since April 01 2021
Hannes Niederhauser Chairman of the Management Board of S&T AG, Linz, Austria	Since April 07 2021

## Responsibility Statement by the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the half-year consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

## Imprint

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Chairman of the Supervisory Board: Klaus Weinmann

Register Court: Munich Local Court

Registration number: HRB 245284

VAT ID: DE321470978

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