

2022

SKAN Fact Sheet (in CHF)

Changes compared to 1st half 2021

Order intake
+67.9%
263.3 m

Net sales
+18.5%
120.9 m

EBITDA
-13.1%
10.7 m

EBITDA
margin
-3.2 pp¹
8.8 %

Operating
cash flow
nm²
+26.9 m

Changes compared to 31.12.2021

Cash
-24.1%
99.8 m

Assets
+11.3%
369.4 m

Investments³
-8.3%
15.7 m

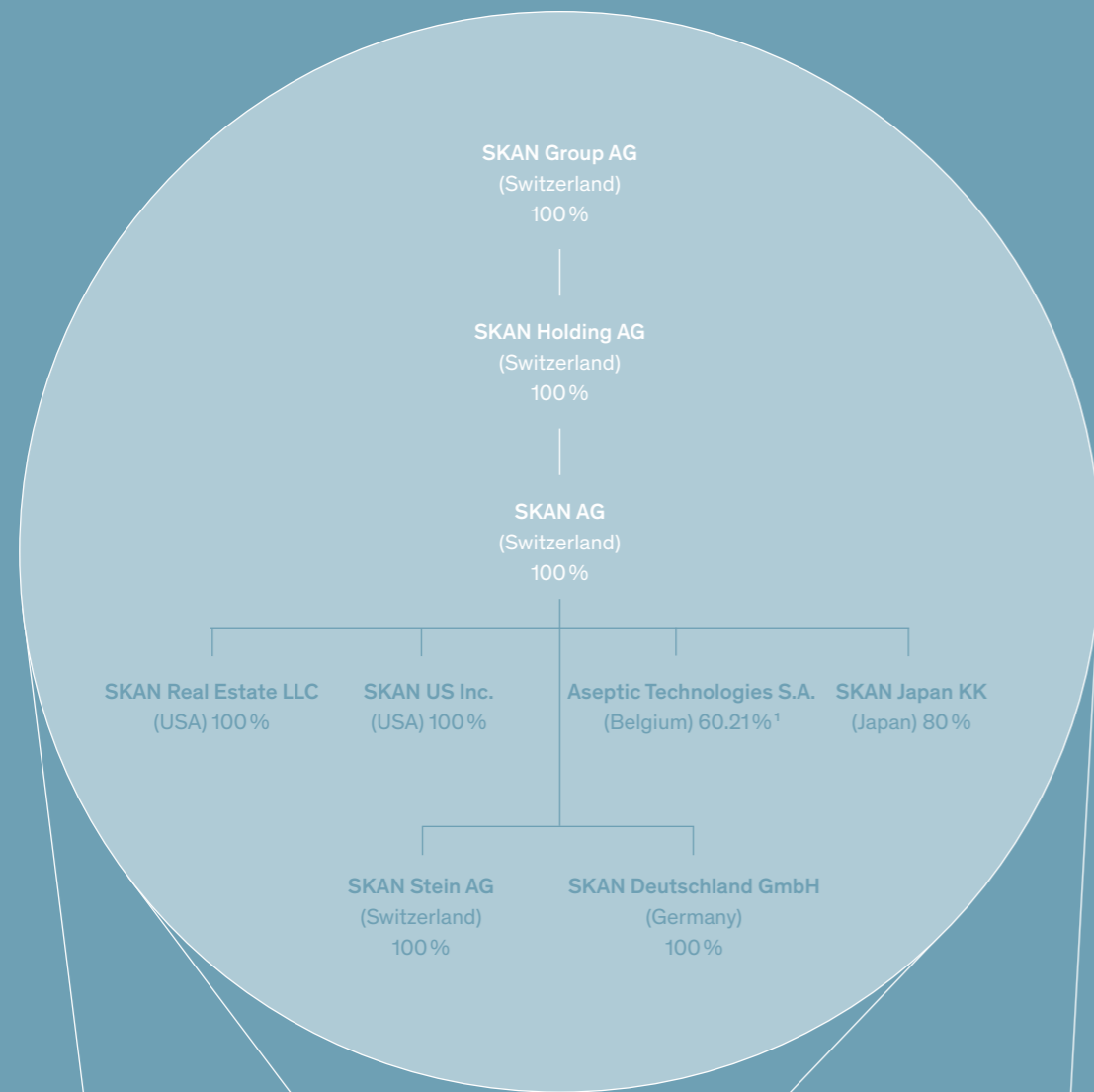
Employees
+90
1'097

¹Percentage points

²not meaningful

³Investments in property, plant and equipment and intangible assets

Locations



¹20% increase in the shareholding in Aseptic Technologies S.A. as of 1 July 2022.

Key Figures¹

in thousand CHF	1st half 2022 or 30.06.2022	in % of net sales	1st half 2021 or 31.12.2021	in % of net sales	change in %
Financial key figures					
Order intake	263'270		156'833		67.9%
Order backlog ²	367'387		226'111		62.5%
Net sales from goods and services	120'894		102'032		18.5%
EBITDA	10'679	8.8%	12'283	12.0%	-13.1%
EBIT	5'874	4.9%	9'245	9.1%	-36.5%
Profit for the period	1'115	0.9%	9'297	9.1%	-88.0%
Other key figures					
Net working capital (NWC) ²	-3'1666		-12'025		-163.3%
Return on capital employed (ROCE)	3.0%		8.8%		-65.5%
Investments ⁴	15'683		17'108		-8.3%
Equity ²	168'158		174'005		-3.4%
Equity ratio ²	45.5%		52.4%		-13.2%
Cash flow from operating activities	26'875		44		nm ³
Cash flow from investing activities	-56'096		9'602		nm ³
Cash flow from financing activities	-1'927		-2'923		34.1%
Headcount ²	1'097		1'007		8.9%
Segment key figures					
Equipment & Solutions					
Order intake	226'303		121'729		85.9%
Order backlog ²	340'478		204'464		66.5%
Net sales from goods and services	90'203		76'482		17.9%
EBITDA	4'782	5.3%	6'988	9.1%	-31.6%
Service & Consumables					
Order intake	36'967		35'104		5.3%
Order backlog ²	26'909		21'647		24.3%
Net sales from goods and services	30'690		25'550		20.1%
EBITDA	5'897	19.2%	6'305	24.7%	-6.5%
Others					
EBITDA	-		-1'011	nm ³	nm ³
Stock key figures					
Registered shares	22'483'524		10'471'530		114.7%
Earnings per share (in CHF)	-0.02		0.32		nm ³

¹This 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 "Abbreviations and Definitions".

²Comparison value as of 31.12.2021

³not meaningful

⁴Investments in property, plant and equipment and intangible assets

Letter to shareholders

Driven by continued strong market growth, the SKAN Group's order book climbed to a new record level in the first half of 2022. SKAN was thus able to further expand its position as number one in the high-end segment of the isolator market. The group made significant progress in its strategic projects in the areas of integrated process systems and standardisation of equipment, as well as expansion of the services and consumables business. The guidance for the full year 2022 is confirmed.



Dr. Gert Thoenen, BoD Chairman and Thomas Huber, CEO

Dear Shareholder

SKAN Group again achieved a record-high order intake in the first half of 2022 in both business segments and across all regions. Demand was supported by strong market growth, as in addition to the generally positive development of the (bio)pharmaceutical market, the trend towards injectable drugs and thus towards our aseptic filling solutions continues. Like the entire global business community, SKAN faced substantial challenges in the supply chain in the first half of 2022. To always ensure the availability of raw materials and components, the Group has significantly increased its stock levels, particularly of sheet steel. This ensures that we can produce without interruption at all times, but naturally comes at the cost of reduced efficiency.

Order backlog at record level

SKAN Group's order intake in the first half of 2022 was CHF 263 million, 68 percent more than in the same period last year (H1 2021: CHF 157 million). The closing rate of offers was exceptionally high, enabling SKAN to further strengthen its position as number one in its core market, the high-end segment of the isolator market. We attribute this to SKAN's reputation, our process know-how, the qualitative superiority of our equipment and the proximity to our customers thanks to our global presence. The order backlog reached a record of CHF 367 million (31.12.2021: CHF 226 million). This ensures a very high visibility in the equipment business over the next two years.

Net sales increased by 18 percent to CHF 121 million (first half of 2021: CHF 102 million). This means that the development of revenue did not keep pace with the strong growth in order intake. The reason for this was that various projects were in the completion phase and numerous new orders in the design phase – both phases during which the added value transferrable from order intake to sales is relatively low. As soon as the new projects enter the high value-added production phase in the second half of the year, we expect that SKAN Group will make up for the shortfall in net sales and profitability. Relative to net sales, costs rose more sharply due to inflation-related effects like wage increases and higher material cost. On the other hand we continued to expand the workforce, invest into standardisation and the expansion of our facilities as planned, which will have a positive impact on growth and profitability in the coming years. As a result, EBITDA decreased to CHF 11 million, compared

to CHF 12 million in the same period last year. The EBITDA margin was 9 percent at the end of half-year 2022 (first half of 2021: 12 percent).

Equipment & Solutions segment pushes ahead with strategy implementation

The Equipment & Solutions segment increased its order intake in the first half of 2022 by 86 percent to CHF 226 million. Whereas orders in the previous year were mainly for high-volume systems for vaccine filling, customers are now focusing on the production of other substances that were previously postponed due to the pandemic. Accordingly, customers invested more in small-volume systems.

The Equipment & Solutions segment made good progress with its strategic projects in the areas of integrated process systems and standardisation: With the successful acceptance of the first integrated machine, SKAN has demonstrated that, together with partner companies, it can combine robot-assisted filling systems with its isolator technology into one system and thus offer customers a “one-stop shop” solution for the aseptic filling of their medicines. Several orders have now been received for standardised isolators, all with similar specifications, which opens up considerable synergies in design and production.

Milestones in the expansion of the services business

The Services & Consumables segment reports order intake of CHF 37 million for the first half of 2022, 5 percent more than in the same period last year. The relatively low growth is attributable on the one hand to the fact that commissioning at customers was delayed and spare parts were used later. On the other hand, orders for closed vials from Aseptic Technologies are not linear. Since most of the substances are still in various clinical phases, customers order a year's supply at a time.

Acquisition of Aseptic Technologies S.A.

In the first half of 2022, SKAN signed an agreement with the co-owner of Aseptic Technologies, Société Régionale d'Investissement de Wallonie, to purchase a further 30% of the shares, increasing its stake to 90%. A first tranche of 20% was acquired as of 1 July 2022, with two further tranches of 5% each to follow between 2023 and 2026. Aseptic Technologies is of strategic importance to the SKAN Group.

The automated, robotic process solutions for filling closed vials (AT-Closed Vial® Technology) target applications in cell and gene therapy, a rapidly growing therapeutic segment. The commercialisation of new drugs will increase the demand for closed vials and thus the volume in the Services & Consumables segment in line with the strategy.

SKAN reached another milestone in the planned expansion of the services business in the reporting period with the start of the implementation phase for the upcoming pre-approved services. The launch is planned for 2025.

Cash flow and balance sheet

SKAN Group invested CHF 16 million in property, plant and equipment and intangible assets as planned in the first half of 2022. An important investment project to expand capacity was completed with the commissioning of the enlarged site in Stein, Switzerland. An investment amount of CHF 15 million was allocated to an advance payment for the purchase of additional shares in Aseptic Technologies.

In order to avoid negative interest rates, SKAN Group has invested its liquid funds in a medium-term investment with positive interest. The substantially negative net working capital of CHF 32 million is a consequence of the high order intake and the associated advance payments from customers.

SKAN continues to have a strong net cash position of CHF 107 million in the reporting period and is thus very well positioned to finance future growth.

The equity of CHF 168 million corresponds to an equity ratio of a solid 46 percent.

Two management changes

Ralf Krämer has taken over the position of Chief Technology Officer of the SKAN Group as of 1 April 2022. He replaces Bernd Naumann, who had been a member of the SKAN Group's Executive Management since 2009. Ralf Krämer joined SKAN in 2016 as Head of Design and was Director Customized Solutions since 2020. Prior to that, he held various technical management positions for Tetra Pak and other industrial companies. As of 1 August 2022, Marina Häni joined SKAN as Chief People & Culture Officer, succeeding Fabienne Schmid, who had been Chief Officer HR at SKAN since 2013 and a member of the Executive Management since 2016. Marina Häni held various positions in HR before joining SKAN in 2019, first as HR Specialist and then as HR Business Partner. She works on a global level to

ensure that SKAN attracts the best people and further development of SKAN's culture – both central elements of our success.

The Board of Directors and the Executive Management of the SKAN Group are pleased that these positions could be filled by qualified internal candidates. Firstly, this facilitated the handover of the functions and ensures continuity; secondly it also underlines the good succession planning in the company. We thank Fabienne Schmid and Bernd Naumann for their valuable contributions to the development of SKAN Group and wish them all the best for the future.

Outlook and guidance

SKAN Group assumes that the growth of its relevant market will remain high in the coming years. From today's perspective, the projection of market experts regarding a doubling of the relevant market between 2020-2026 remains realistic. SKAN Group has the technologies, customer relationships and capacities to benefit significantly from this development. In the short term, SKAN will continue to face the known challenges of rising inflation and supply chain bottlenecks. Thanks to the development of local competencies at the various Group locations, these effects can be partially offset. These efforts will be intensified in the future.

Due to the typical periodicity of large projects, the development of net sales until mid-year is below plan despite significantly higher order intake. Our project planning shows that net sales and margin will experience a boost in the second half of the year. The reason for this is that numerous ongoing projects are entering the production phase, during which about 80 percent of the total chargeable added value is generated. This accumulation of high-revenue project phases will lead to faster sales growth in the second half of the year, which in turn will have a strong positive impact on earnings and profitability.

Against this background, SKAN Group confirms its guidance for the full year 2022: If the challenges in the supply chain do not become significantly severer, we expect an increase in the mid to upper teens at net sales level. The EBITDA margin should range between 13 and 15 percent.

Sincere thanks

Our employees have made great special effort in the first half of 2022 to cope with the extraordinarily high business volume. Their commitment to our company deserves

the highest recognition. We would like to thank them on behalf of the Board of Directors and the Executive Management. We would also like to thank our customers for the good collaboration and you, our valued shareholders, for your trust.



Dr. Gert Thoenen
Chairman of the BoD



Thomas Huber
CEO



Half-Year Financial Statements



Consolidated Half-Year Financial Statements 2022

16	Consolidated Income Statement
18	Consolidated Balance Sheet
20	Consolidated Cash Flow Statement
22	Consolidated Statement of Changes in Equity
26	Notes to the Consolidated Half-Year Financial Statements

Consolidated Income Statement

in CHF thousands	Note	1st half 2022		1st half 2021	
Net Sales from Goods and Services	6	120'894	100%	102'032	100%
Change in inventory of finished, unfinished goods and work in progress		5'062		3'670	
Material and external services		-35'975		-26'620	
Gross Profit		89'980	74%	79'082	78%
Personnel expenses	6	-61'904		-52'985	
Other operating expenses	6	-17'397		-13'814	
EBITDA		10'679	9%	12'283	12%
Depreciation		-3'974		-2'435	
Amortisation		-831		-603	
Operating Result (EBIT)		5'874	5%	9'245	9%
Financial expenses	6	-3'874		-3'253	
Financial income	6	546		5'074	
Ordinary Result / Profit Before Income Taxes (EBT)		2'546	2%	11'066	11%
Income taxes	6	-1'431		-1'769	
Profit For The Period		1'115	1%	9'297	9%
Profit attributable to minority interests		1'664		5'953	
Profit attributable to shareholders of SKAN Group AG		-549		3'345	
Basic and diluted earnings per share in CHF	4	-0.02		0.32	



Consolidated Balance Sheet

in CHF thousands	Note	30.06.2022	31.12.2021		
Cash and cash equivalents	7	99'789	131'539		
Trade receivables	7	28'171	23'301		
Other current receivables		8'753	8'555		
Inventories	7	29'273	23'850		
Work in progress	7	63'034	51'000		
Prepayments and accrued income		14'136	16'821		
Total Current Assets		243'157	66%	255'065	77%
Property, plant and equipment	7	82'301	73'326		
Financial assets	7	41'288	918		
Intangible assets		2'682	2'614		
Total Non-Current Assets		126'272	34%	76'858	23%
Total Assets		369'429	100%	331'923	100%

in CHF thousands	Note	30.06.2022	31.12.2021		
Trade payables		14'801	14'781		
Advance payments from customers	7	101'072	66'245		
Current financial liabilities		1'232	1'095		
Other current liabilities		5'068	6'249		
Current provisions		47'456	43'253		
Accrued liabilities and deferred income		6'636	5'025		
Current Liabilities		176'266	48%	136'647	41%
Non-current financial liabilities	7	17'042	14'176		
Other non-current liabilities		5'227	3'809		
Deferred tax liabilities		2'497	1'898		
Non-current provisions		239	1'388		
Non-Current Liabilities		25'005	7%	21'270	6%
Total Liabilities		201'271	54%	157'918	48%
Share capital	7	225	225		
Capital reserves	7	120'973	123'671		
Retained earnings	7	32'207	35'849		
Equity Attributable to Shareholders of SKAN Group AG		153'405	42%	159'745	48%
Minority interests		14'752	14'261		
Total Equity		168'158	46%	174'005	52%
Total Liabilities and Equity		369'429	100%	331'923	100%

Consolidated Cash Flow Statement

in CHF thousands	Note	1st half 2022	1st half 2021
Profit for the period		1'115	9'297
Depreciation and amortisation		4'805	3'038
Change of provisions (including deferred taxes)		4'093	9'424
Income from associates		0	-1'124
Other non-cash items		-795	740
Gain on disposal of fixed assets		127	0
Change in trade receivables		-5'068	-8'984
Change in inventories and work in progress		-19'296	-16'870
Change in other receivables, prepayments and accrued income		2'144	-970
Change in trade payables		198	-3'099
Change in other current liabilities, accrued liabilities and deferred income		37'941	8'591
Change in other non-current liabilities		1'611	0
Cash Flow from Operating Activities		26'875	44
Outflows for property, plant and equipment	7	-14'734	-16'116
Inflows from disposal of property, plant and equipment		47	1'412
Outflows for purchase of financial assets	7	-25'060	0
Inflows from disposal of financial assets		0	-353
Outflows for purchase of intangible assets		-949	-992
Inflows from disposal of intangible assets		0	325

in CHF thousands	Note	1st half 2022	1st half 2021
Inflows from disposal of investments in associates		0	25'326
Outflows for purchase of investments in associates	7	-15'400	0
Cash Flow from Investing Activities		-56'096	9'602
Distribution of profits to shareholders of SKAN Group AG	7	-5'396	0
Distribution of profits to minority interests		0	-2'507
Disposal of treasury shares		0	22
Issuance of current financial liabilities		183	413
Repayment of non-current financial liabilities		0	-851
Issuance of non-current financial liabilities		3'286	0
Cash Flow from Financing Activities		-1'927	-2'923
Net impact of foreign exchange rate differences on cash and cash equivalents		-601	205
Change in Cash and Cash Equivalents		-31'749	6'928
Cash and cash equivalents as at 1 January		131'539	63'818
Cash and cash equivalents as at 30 June		99'789	70'746
Change in Cash and Cash Equivalents		-31'749	6'928

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 2021 (IFRS)	3'665	12'065	0	0	104'816	104'816	120'546	0	120'546
Swiss GAAP FER Adjustments	0	0	0	-41'008	-37'892	-78'900	-78'900	40'906	-37'994
Balance as at 1 January 2021 (FER)	3'665	12'065	0	-41'008	66'924	25'917	41'647	40'906	82'553
Net profit for the period	0	0	0	0	3'345	3'345	3'345	5'953	9'297
Goodwill recycling	0	0	0	10'994	0	10'994	10'994	0	10'994
Dividends paid to minority interests*	0	0	0	0	0	0	0	-3'255	-3'255
Sale of treasury shares	0	22	0	0	0	0	22	0	22
Currency translation differences	0	0	0	0	102	102	102	749	851
Balance as at 30 June 2021	3'665	12'087	0	-30'014	70'371	40'358	56'110	44'353	100'463
Balance as at 1 January 2022 (FER)	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 shareholders of SKAN Group AG	0	-2'698	0	0	-2'698	-2'698	-5'396	0	-5'396
Dividends paid to minority interests**	0	0	0	0	0	0	0	-817	-817
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

* The dividend was paid out in July 2021.

** The dividend was paid out in July 2022.



Notes to the Consolidated Half-Year Financial Statements

1 General Information

SKAN Group AG (hereafter the "SKAN" or "the Company") is a public limited company incorporated under Swiss law and is headquartered in Allschwil. The Company's shares have been traded under its former name of BV Holding AG on the BX Swiss since 2007. The Company changed its name from BV Holding AG to SKAN Group AG prior to the Offering on SIX Swiss Exchange. Since 28 October 2021 the SKAN Group AG has been listed on SIX Swiss Exchange.

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 operators and the environment with

regard to 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 2022 present the income statement, balance sheet, cash flow statement, statement of changes in equity and notes of SKAN Group AG and its subsidiaries.

Effects of the Initial Application of Swiss GAAP FER

SKAN has been applying Swiss GAAP FER starting from the year ended 2021. The date of the initial application was 1 January 2020. The effects from initial application of Swiss GAAP FER on equity as per June 2021 has been presented in the table below.

Reconciliation of equity and period result from IFRS to FER

in CHF thousands	1 January 2021
Equity in accordance with IFRS	120'546
Swiss GAAP FER adjustments	
Full consolidation of SKAN Group	-553
Offsetting of goodwill of SKAN Group against retained earnings	-25'077
Revaluation of Ziemer Group AG from fair value to at equity investment	-1'468
Offsetting of goodwill of Ziemer Group against retained earnings	-10'996
Adjustment of pension benefit obligation	100
Equity in accordance with Swiss GAAP FER	82'552

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 2022 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 2021 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 2021 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 2021 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 the pharmaceutical production, including isolators, integrated automated systems, aseptic filling systems and solutions as well as laboratory and clean-room 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 ready-to-use consumables to our customers as well as digital solutions.	
Others	Our segment "Others" include all income and expenses of SKAN Group AG that cannot be directly allocated	to one of the other two segments. It mainly includes administrative and personnel expenses related to the IPO.

1st half 2022 in CHF thousands	Equipment & Solutions	Services & Consumables	Others	Total segments/ Group
Order backlog	340'478	26'909	0	367'387
Order intake	226'303	36'967	0	263'270
Net sales from goods and services	90'203	30'690	0	120'894
EBITDA	4'782	5'897	0	10'679
EBITDA margin	5.3%	19.2%	nm ¹	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

1st half 2021 in CHF thousands	Equipment & Solutions	Services & Consumables	Total segments/ Group	Total segments/ Group
Order backlog	199'265	21'518	0	220'783
Order intake	121'729	35'104	0	156'833
Net sales from goods and services	76'482	25'550	0	102'032
EBITDA	6'988	6'305	-1'011	12'283
EBITDA margin	9.1%	24.7%	nm ¹	12.0%
Depreciation				-2'435
Amortisation				-603
Operating Result (EBIT)				9'245
Financial result				1'821
Ordinary Result / Profit Before Income Taxes (EBT)				11'066

¹not meaningful

Net sales by region

in CHF thousands	1st half 2022	1st half 2021
Asia	13'401	8'246
Europe	58'761	45'213
Americas	48'362	48'109
Other regions	370	464
Total Net Sales by Region	120'894	102'032

Net sales include kCHF 68'688 (2021: kCHF 60'297) from long-term contracts.

Earnings Per Share

in CHF	1st half 2022	1st half 2021
Loss/Profit attributable to shareholders of SKAN Group AG	-549'205	3'344'759
Weighted average number of shares outstanding	22'483'524	10'471'530
Basic and diluted earnings per share	-0.02	0.32

5 Seasonality

The development of SKAN's net sales is mainly dependent on the progress of ongoing projects and less on seasonal fluctuations. The receipt of components (eg. steel work) mainly impacts the progress of a project. This can lead to fluctuations in the development of net sales and earnings during the year. In 2022, the second half of the year should be more material-intensive than the first. As a result, we expect stronger growth in net sales and earnings in the second half of the year.

Order intake is not influenced by seasonal trends either. Compared to net sales, we already won an above-average number of new projects in the first half of 2022. We expect order intake to continue to develop positively in the second half of the year.

Although the bottlenecks in the supply chain are likely to persist, SKAN is confident the Company growth targets will be achieved in the current year.

6 Income Statement

Net Sales from Goods and Services

Net sales from goods and services increased by kCHF 18'862 from kCHF 102'032 in 2021 to kCHF 120'894 in 2022. This results in a growth rate of +18%. With an increase of 18% in net sales from kCHF 76'482 to kCHF 90'203 the segment Equipment & Solutions (E&S) was successful in the first half of 2022. The sales growth in E&S is driven by the progress of various major projects and completion of numerous standardised systems. In the first half of 2022, many projects in the segment E&S were in completion phase and new orders in the design-phase. During both these phases the value added from order intake to sales remains relatively low. We expect that SKAN Group will make up for the shortfall in net sales and margin in the second half of 2022. Services & Consumables (S&C) grew by 20% from kCHF 25'550 to kCHF 30'690. In the first half of 2022 many long-term retrofit orders were received and started. Invoicing of these orders will take place in the second half of 2022. The retrofit orders are not part of PoC accounting which is why the net sales and the margin are only recorded with the final invoice.

The split of the net sales between the segments remains at the same level as in the previous half-year.

In a regional perspective, the European market recorded robust growth of 30% to kCHF 58'761 compared to the previous half-year 2021 (kCHF 45'213). In the region Asia, sales grew even faster at 63% from kCHF 8'246 to kCHF 13'401. This increase can be attributed to individual customers many of which export their products to the Western markets. In the region Americas, sales grew by 1% compared to the previous half-year. In the Americas, the Company generates 40% of total sales.

Gross Margin

Despite growing sales the gross profit margin decreased from 78% in previous year to 74%. This development is mainly driven by higher material and logistic costs.

Personnel Expenses

In the last 12 months, SKAN grew by 126 to 1'097 employees globally. The 126 employees were built up at various locations. The major part of the ramp-up took place in Switzerland. Personnel costs also developed accordingly and amount to kCHF 61'904. Compared to the previous year personnel costs have increased by kCHF 8'919 (+17%).

Other Operating Expenses

The other operating expenses increased by kCHF 3'583 to kCHF 17'397 (+26%) in the reporting period, mainly driven by travel expenses, maintenance and administrative costs. The increase in travel expenses is due to the growing operating business in the first half of 2022 compared to the previous year since the first half of 2021 was affected by the Covid pandemic, whereas the restrictions due to Covid pandemic were lifted in the first half of 2022. Hence the travel activities were resumed and resulted in an increase. The increase in maintenance and administrative costs correspond to the growing business.

EBITDA

Despite the growing sales volume, the EBITDA margin has decreased from 12% to 9%. The margin decrease is mainly impacted by the personnel and other operating expenses which grew faster than the net sales from goods and services in the first half-year of 2022.

Financial Result

The negative financial result in 2022 is mainly driven by unrealised currency exchange losses due to the currency valuation as of June 2022 (EUR and USD), whereas the result in 2021 was caused by a positive one-off effect of the disposal of a financial asset.

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 capitalised. This treatment significantly impacts the effective income tax rate as of 30 June 2022.

7 Balance Sheet

Cash and Cash Equivalents

The cash position of the Company decreased by kCHF 31'749 during the reporting period. This was mainly due to a significant investment in a fixed-term deposit, the dividend payments to shareholders and the downpayment for the increase of SKAN's shareholding in its Belgian subsidiary Aseptic Technologies S.A. as well as the investments in property, plant and equipment and intangible assets.

Trade Receivables

The main reason for the increase in trade receivables by kCHF 4'870 is the completion of several projects, which were invoiced to the customers within the first half of 2022. 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 SKAN Group.

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 5'423 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 12'034 compared to last year, this was mainly driven by the increase in new projects.

Property, Plant and Equipments

In the reporting period, SKAN increased its property, plant and equipments by kCHF 8'975 to kCHF 82'301. In addition to the regular depreciation and continuous investments this change is mainly due to the large investments in the expansion of the production sites in Görlitz (DE) and in Stein (CH).

Financial Assets

Financial assets increased by kCHF 40'371, primarily due to a fixed-term deposit of SKAN Group AG (kCHF 25'000) and an increase in the shareholding in Aseptic Technologies S.A. (kEUR 15'000).

Advance Payments from Customers

The advance payments from customers increased by kCHF 34'828 compared to the previous year. The main driver for this is the increase in new projects in the first half of 2022.

in CHF thousands	30.06.2022	31.12.2021
Work in Progress (projects with WIP overhang)	128'569	127'639
Advance payments from customers	-65'535	-76'639
Total Work in Progress	63'034	51'000
Work in Progress (projects with advance payments overhang)	72'727	65'109
Advance payments from customers	-173'800	-131'354
Total Advance Payments from Customers	-101'072	-66'245
Net Work in Progress/Advance Payments from Customers	-38'038	-15'245

Non-Current Financial Liabilities

The change in non-current financial liabilities is mainly due to additional loans from banks for the financing of the production sites in Görlitz (DE) and Stein (CH).

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 4 May 2022, a dividend of CHF 0.24 per registered share was paid out on 10 May 2022. Half of the dividends were paid from capital contributions reserves ("Kapitaleinlagereserven") and the other half from retained earnings.

8 Changes in the Scope of Consolidation

8.1 Changes 2022

There was no change in the scope of consolidation in the first half-year of 2022.

8.2 Changes 2021

There was no change in the scope of consolidation in the first half-year of 2021.

9 Investments in Associates

9.1 Changes 2022

There was no change within the investments arising from acquisitions or disposals in the first half-year of 2022.

9.2 Changes 2021

The shares of Ziemer Group AG were sold on 20 May 2022.

10 Foreign Exchange Rates

Currency	Unit	30.06.22	Average 1st half 2022	31.12.21	30.06.21	Average 1st half 2021
EUR	1	0.9960	1.0319	1.0331	1.0980	1.0943
JPY	100	0.7037	0.7694	0.7924	0.8350	0.8430
USD	1	0.9589	0.9440	0.9121	0.9239	0.9079

11 Subsequent Events after the Balance Sheet Date

Between the balance sheet dates for the consolidated half-year financial statements for the half-year ended 30 June 2022 and 2021 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 for the half-year ended 30 June 2022 and 2021 or a disclosure in this section.

As of 1 July 2022 SKAN closed as already communicated on 5 April 2022 the announced increase of 20% of its shareholding in the Belgian subsidiary Aseptic Technologies S.A.

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 including liquid funds investment 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. Compared to the previous year (31.12.2021) SKAN subtracted the accrued liabilities and deferred income from total current assets as given in the definition. To make the previous year's key figure comparable NWC from previous year was recalculated (according to the given definition).
- **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.

Financial Calendar

Annual report 2022, press conference and presentation for financial analysts	28.03.2023
Annual general meeting 2023	03.05.2023

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