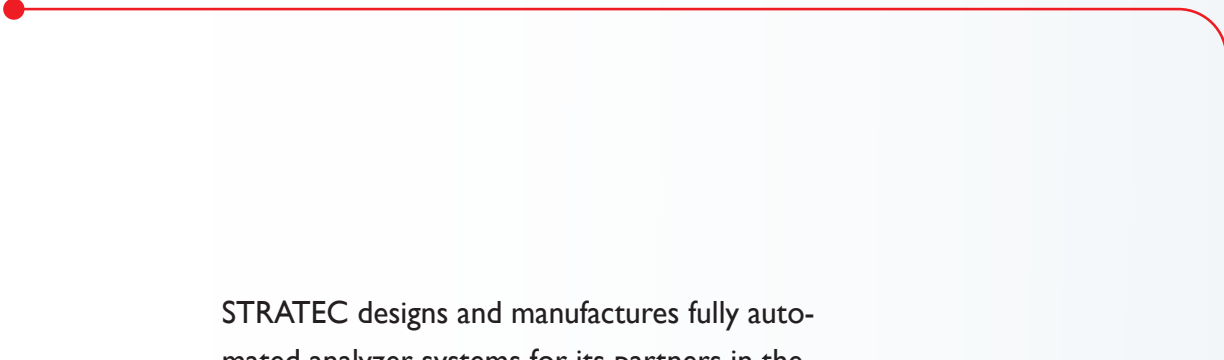


POWER

PEOPLE | INNOVATION | PARTNERSHIP

Half-Year Financial Report H1|2023

January 1 to June 30, 2023



STRATEC designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and life sciences.

Furthermore, the company offers complex consumables for diagnostic and medical applications. For analyzer systems and consumables, STRATEC covers the entire value chain – from development to design and production through to quality assurance.

Our partners market the systems, software, and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of patented technologies.

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CURRENT INFORMATION

- Consolidated sales in H1/2023 -8.9% to € 125.0 million (H1/2022: € 137.2 million); +4.4% in Q2/2023
- Adjusted EBIT margin at 5.6% (H1/2022: 15.4%)
- Further market launches for customers and strong development pipeline underpin positive medium to long-term growth prospects
- North America business further strengthened by Natech Plastics acquisition
- 2023 guidance: consolidated sales on constant-currency basis expected to remain stable or grow slightly while adjusted EBIT margin expected at around 10.0% to 12.0%

KEY FIGURES¹

€ 000s	H1/2023	H1/2022	Change	Q2/2023	Q2/2022	Change
Sales	125,006	137,193	-8.9%	64,528	61,806	+4.4%
Adjusted EBITDA	13,897	27,841	-50.1%	6,605	9,382	-29.6%
Adjusted EBITDA margin (%)	11.1	20.3	-920 bps	10.2	15.2	-500 bps
Adjusted EBIT	6,965	21,178	-67.1%	3,149	6,141	-48.7%
Adjusted EBIT margin (%)	5.6	15.4	-980 bps	4.9	9.9	-500 bps
Adjusted consolidated net income	4,060	16,679	-75.7%	1,927	4,731	-59.3%
Adjusted earnings per share (€)	0.33	1.38	-76.1%	0.15	0.39	-61.5%
Earnings per share (€)	0.20	1.04	-80.8%	0.09	0.12	-25.0%

bps = basis points

¹ For comparison purposes, adjusted figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments).

€ 000s	06.30.2023	12.31.2022	Change
Equity	222,489	225,184	-1.2%
Total assets	429,708	397,504	+8.1%
Equity ratio (%)	51.8	56.6	-480 bps

bps = basis points

INTERIM GROUP MANAGEMENT REPORT

Report on earnings, financial, and asset position

Earnings position

The STRATEC Group generated consolidated sales of € 125.0 million in the first half of 2023 (H1/2022: € 137.2 million). This corresponds to a year-on-year reduction of 8.9% (constant currency: -9.1%). The company's sales momentum showed a marked recovery in the second quarter of 2023 (sales Q2/2023: +4.4%; +5.0% at constant currency). It was nevertheless not possible to make up to the extent initially expected for the shortfall in sales that arose in the first quarter due to the previous year's high basis of comparison on account of the pandemic. Alongside lower demand for system solutions (including service parts), which had benefited from substantial additional demand during the pandemic, the sales performance was also adversely affected by significantly lower delivery volumes for veterinary diagnostic system solutions. Furthermore, as a result of the recovery in global supply chains customers continued to optimize their stocks. In view of these factors, Systems sales decreased year-on-year by 25.6% (constant currency: -25.8%) in the first half of 2023 and were thus slightly below the company's most recent expectations. Service Parts and Consumables reported a moderate reduction of 5.2% (constant currency: -5.4%). Significant growth of 54.3% (constant currency: +54.1%) was reported for sales with Development and Services, by contrast, which were driven by the respective project stages.

Consolidated sales by operating division

€ 000s	H1/2023	H1/2022	Change
Systems	54,418	73,133	-25.6% cc -25.8%
Service Parts and Consumables	44,403	46,832	-5.2% cc -5.4%
Development and Services	25,544	16,558	+54.3% cc +54.1%
Other	641	670	-4.3% cc -5.3%
Consolidated sales	125,006	137,193	-8.9% cc -9.1%

cc = constant currency

Gross profit (gross profit on sales) fell from € 37.8 million in the previous year's period to € 25.9 million in the first half of 2023. The gross margin thus amounted to 20.7% as of June 30, 2023 compared with 27.6% in the previous year's period. This was due in particular to the lower volume of sales and the marked rise in input costs due to inflation. Furthermore, the company witnessed negative sales and product mix effects compared with the exceptionally strong performance in the previous year's period due to developments in the pandemic (omicron wave in Q1/2022). The margin was also adversely affected by lower initial efficiency levels upon the start of serial production for products newly launched onto the market.

Due to higher personnel expenses and increased sales and travel activity, sales-related expenses increased from € 5.0 million in the previous year's period to € 6.1 million in the first half of 2023. General administration expenses also rose year on year, in this case from € 8.9 million in the previous year's period to € 9.8 million.

In view of the development pipeline, which is still well stocked, and the associated high volume of development activities, investments in research and development (gross development expenses) rose to € 28.3 million in the first six months of 2023 (H1/2022: € 25.0 million). Of this total, an amount of € 4.5 million involved expenses that do not meet the criteria for capitalization pursuant to IAS 38 (Intangible Assets) and which mainly relate to personnel expenses and cost of materials (previous year: € 4.0 million).

Adjusted EBIT for the first six months of 2023 amounted to € 7.0 million, compared with € 21.2 million in the previous year's period. Accordingly, the adjusted EBIT margin decreased by 980 basis points to 5.6% (H1/2022: 15.4%). This was due in particular to the lower gross margin and the changes in functional expenses outlined above.

Given the lower level of operating earnings and a higher adjusted tax rate, consolidated net income for the first half of 2023 fell from € 16.7 million to € 4.1 million. Adjusted earnings per share (basic) came to € 0.33 (H1/2022: € 1.38).

For comparison purposes, the earnings figures for the first half of 2023 have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments).

A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income is presented in the following tables.

€ 000s	H1/2023	H1/2022
Adjusted EBIT	6,965	21,178
Adjustments		
• PPA amortization	-1,256	-1,844
• Other ¹	-937	0
EBIT	4,772	19,334

¹ Advisory expenses relating to M&A activities and one-off personnel expenses

€ 000s	H1/2023	H1/2022
Adjusted consolidated net income	4,060	16,679
Adjusted earnings per share in € (basic)	0.33	1.38
Adjustments		
• PPA amortization	-1,256	-1,844
• Other ¹	-937	0
• Taxes on income	547	-2,019
• Interest expenses	0	-214
Consolidated net income	2,414	12,602
Earnings per share in € (basic)	0.20	1.04

¹ Advisory expenses relating to M&A activities and one-off personnel expenses

Segment disclosures

To account for the fact that the activities and target markets of the STRATEC Group's business units have become ever more closely aligned in recent years, in agreement with the Supervisory Board the Board of Management has decided to manage STRATEC as a "one-segment company" in future. Furthermore, this decision is to be viewed in connection with the extension of the Board of Management of STRATEC SE to include Dr. Georg Bauer, who assumed centralized, cross-product responsibility for sales and business development activities at the existing business units as of January 1, 2023. Since the first quarter of 2023, the segment information previously provided in regular internal reporting to the Board of Management as the decision maker for the Instrumentation, Diatron, and Smart Consumables segments has no longer been used as the basis for deciding on the allocation of resources or assessing the earnings performance.

Financial position

The cash flow from operating activities for the first six months of 2023 amounted to € 3.9 million, compared with € 24.8 million in the previous year's period. This reduction was mainly due to the lower level of consolidated net income. Furthermore, trade payables and other liabilities showed a slight decrease, contrasting with the significant increase in these line items in the previous year's period. Moreover, a significantly higher volume of cash-effective transactions was performed in connection with income taxes compared with the previous year.

The cash flow from investing activities stood at € -8.9 million in the first six months of 2023, as against € -7.9 million in the first half of 2022. Of this total, € 4.6 million related to investments in intangible assets (previous year: € 4.4 million), while € 4.3 million involved investments in property, plant and equipment (previous year: € 3.6 million). The investment ratio (investments in property, plant and equipment and intangible assets as a percentage of sales) therefore amounted to 7.1 % in the first six months (H1/2022: 5.8%) and was thus within the corridor of 6.0% to 8.0% targeted for the 2023 financial year as a whole.

The cash flow from financing activities stood at € 28.5 million in the first half of 2023 (H1/2022: € -15.0 million) and mainly comprised the taking up of net new financial liabilities of € 40.3 million and the dividend of € 11.8 million distributed to shareholders in May 2023.

Asset position

Total assets grew from € 397.5 million as of December 31, 2022 to € 429.7 million as of June 30, 2023.

Non-current assets amounted to € 186.3 million as of June 30, 2023 and were thus at around the same level as of December 31, 2022.

Property, plant and equipment amounted to € 62.3 million as of June 30, 2023 and therefore rose by € 0.7 million compared with December 31, 2022. Intangible assets also only changed to a moderate extent compared with December 31, 2022. Due to currency items, the goodwill line item rose by € 1.4 million to € 38.1 million, while an increase of € 1.3 million was reported for other intangible assets.

Current assets showed a significant increase of € 32.0 million from € 211.4 million as of December 31, 2022 to € 243.4 million as of June 30, 2023. This was mainly attributable to higher inventories and cash holdings.

Cash totaled € 46.4 million as of June 30, 2023, compared with € 22.7 million as of December 31, 2022.

Changes on the equity and liabilities side of the balance sheet resulted in particular from the increase in current financial liabilities which, due to the taking up of new debt to finance a pending acquisition, rose from € 15.3 million as of December 31, 2022 to € 46.2 million as of June 30, 2022. In parallel, trade payables showed a significant increase of € 5.5 million to € 16.4 million.

The equity ratio stood at 51.8% as of June 30, 2023 and thus fell short of the figure of 56.6% reported as of December 31, 2022. This reduction was attributable in particular to the dividend of € 11.8 million distributed in May 2023.

Macroeconomic and sector-specific framework

Macroeconomic framework

In its Economic Outlook published in June 2023, the Organisation for Economic Cooperation and Development (OECD) forecast a slowdown in global economic growth from 3.3% in 2022 to 2.7% in 2023, followed by a revival to 2.9% in 2024.

According to the OECD, the global economy had overcome its difficult situation. Falling energy prices and decreasing rates of headline inflation were enabling the sluggish recovery. Moreover, supply shortages were easing and the financial position of private households was relatively robust.

For the US, the OECD expects to see economic growth of 1.6% in the current year, before strict monetary policy leads growth to slow to 1.0% in 2024. In the euro area, the easing in headline inflation will help to increase real-term incomes and boost economic growth from 0.9% in 2023 to 1.5% in 2024. For China, the lifting of the government's zero interest rate policy is expected to produce strong economic growth in 2023 (5.4%) and 2024 (5.1%). By contrast, the German economy is set to stagnate in 2023 and then grow by 1.3% in 2024. Here, the high inflation rate is currently lowering real-term earnings and savings, with a correspondingly adverse impact on consumer spending.

The outlook states that, at 2.7% in 2023, global economic growth would nevertheless fall significantly short of the ten-year average prior to the coronavirus pandemic. The global economy still had a long way to go before returning to strong and sustainable growth.

Given its long-term project and product lifecycles, STRATEC and the decisions its customers take concerning joint development projects are only affected by macroeconomic fluctuations to a limited extent. Having said this, the macroeconomic climate nevertheless plays a major role in STRATEC's entrepreneurial activity and is therefore extensively factored into the company's assessments and planning.

Sector-specific framework

Based on various estimates, the in-vitro diagnostics (IVD) market will continue to generate very healthy and sustainable growth rates and currently has a volume of more than USD 100 billion. Consistently aging populations, the increased prevalence of infectious diseases, and the growing importance of personalized treatment – these are important and sustainable drivers of growth in the market. Over and above that, the research being performed on innovative technologies, such as specific biomarkers, will create new opportunities for future market growth.

The various segments within the IVD market are showing different growth rates. STRATEC particularly operates in those segments that, viewed in the long term, are reporting above-average high growth rates. These include molecular diagnostics, for example, as well as highly sensitive processes within immuno-diagnostics.

Report on forecasts and other statements concerning the company's expected development

Global megatrends, such as the world's aging population or the increasing prevalence of chronic and infectious diseases are creating ever greater demand for in-vitro diagnostics tests. Not only that, technological advances and the associated increase in sensitivities mean that new areas of application are becoming available for in-vitro diagnostics processes, such as in oncology and prenatal medicine. Furthermore, highly qualified laboratory staff are in short supply in many countries. This additionally boosts demand for highly automated solutions. STRATEC is also benefiting from the growing interest and willingness shown by its customers to outsource the design and manufacture of automation solutions to specialist partners. This is reflected in the high number of market launches seen in recent years and in the company's well-stocked development pipeline. In light of these factors, the medium to long-term growth prospects for the target markets in which the STRATEC Group and its customers operate are still assessed positively.

The full-year financial guidance initially communicated for 2023 in the 2022 Annual Report, namely constant-currency sales growth of 8.0% to 12.0% and an adjusted EBIT margin of around 12.0% to 14.0%, was adjusted by the Board of Management in an ad-hoc announcement published on July 18, 2023. This was triggered in particular by revised order forecasts on the part of customers (due to effects in the wake of the pandemic and steps to optimize stocks), delivery backlogs with a new system generation for a veterinary diagnostics customer, and demand for service parts remaining lower than originally planned.

Consistent with the financial guidance published on July 18, 2023, on a constant-currency basis STRATEC expects its consolidated sales to remain stable or grow slightly compared with the previous year. The acquisition of Natech Plastics, Inc., completed as of July 1, 2023, is expected to contribute around 3.0 percentage points to the aforementioned sales volumes.

The adjusted EBIT margin is expected at around 10.0% to 12.0%. The assumption that profitability will gradually improve in the second half of 2023 is based on price increases already agreed in some cases, as well as greater cost discipline in procurement, and the growing impact of measures within the efficiency enhancement program initiated in March 2023.

Moreover, the company continues to budget for investments in property, plant and equipment and intangible assets corresponding to a total of 6.0% to 8.0% of sales in the 2023 financial year (2022: 6.9%).

Given the unexpectedly swift and steep reduction in COVID-19 test volumes and the manifold knock-on effects in terms of developments in demand for in-vitro diagnostics solutions, the Board of Management expects customer order behavior to remain volatile. That is particularly true for those customers that significantly extended their installed base (number of active systems in the field) during the pandemic. The assumptions underlying the above guidance are therefore subject to greater uncertainties than usual. On the other hand, medium to long-term market dynamics remain as positive as ever and the strong development pipeline underpins the company's growth potential.

Opportunity and risk report

The risk management system forms an active part of STRATEC's corporate management and is largely based on three pillars. In the central early warning risk identification system, the risks facing the corporate divisions and the associated business environment are analyzed, evaluated and monitored. Furthermore, the risk management system also comprises an internal control system (IKS) and a compliance system, which additionally ensures compliance with relevant legal and industry-specific requirements.

Risk management covers all of the company's material operating and administrative departments. Due to developments in connection with the COVID-19 pandemic and the difficulty involved in planning price movements given the inflationary monetary policies adopted by central banks in recent years and the implications of the war in Ukraine, procurement and supply risks moved increasingly into focus. Various measures were implemented and developed further to safeguard STRATEC's ongoing ability to supply its customers and ensure transparent management of the corresponding activities in the relevant departments. The changes in underlying conditions nevertheless made themselves felt in increased procurement expenses and a significantly higher volume of inventories. Based on rolling turnover and production planning, the company compiles financial and liquidity budgets and identifies and secures its internal financing requirements on this basis. This ensures that operating decisions, including the increased stocking policies currently in place, are consistent with the company's business performance. STRATEC counters volatile developments in relevant currencies, particularly the US dollar, by concluding a prorated share of currency hedges. Tax risks result from the downstream implications of a tax audit conducted at the German parent company for the financial years 2014 to 2017 and subsequent assessment periods. This risk was countered by recognizing income tax liabilities of € 1.3 million as of the reporting date on June 30, 2023 and, at the Swiss subsidiaries, deferred tax receivables of € 2.6 million.

The measures to contain the aforementioned risks will be upheld and tendencies towards an improvement in the overall situation are discernible. Despite this, any assessment of the further development in the risks associated with movements in prices, the availability of critical components, and the volatility of customer demand remains subject to increased uncertainty.

Alongside the risks referred to above, from STRATEC's perspective there were no further changes as of June 30, 2023 compared with the risks and opportunities identified for the 2023 financial year in the Group Management Report dated March 28, 2023. Details of our risk management system and our company's specific opportunity and risk profile and of our use of financial instruments can be found in the "Opportunities and Risks" section of the 2022 Group Management Report.

CONSOLIDATED BALANCE SHEET

as of June 30, 2023

Assets

€ 000s	06.30.2023	12.31.2022
Non-current assets		
Goodwill	38,084	36,655
Other intangible assets	52,885	51,616
Right-of-use assets	13,015	12,444
Property, plant and equipment	62,287	61,559
Non-current financial assets	3,565	3,539
Non-current contract assets	12,800	16,638
Deferred taxes	3,703	3,666
	186,339	186,117
Current assets		
Inventories	131,065	117,630
Trade receivables	45,073	51,370
Current financial assets	1,346	1,404
Current other receivables and assets	10,854	10,502
Current contract assets	6,820	6,115
Income tax receivables	1,843	1,338
Cash	46,368	22,668
	243,369	211,387
Total assets	429,708	397,504

Shareholders' equity and debt

€ 000s	06.30.2023	12.31.2022
Shareholders' equity		
Share capital	12,158	12,158
Capital reserve	35,723	35,145
Revenue reserves	173,445	182,823
Treasury stock	-35	-35
Other equity	1,198	-4,907
	222,489	225,184
Non-current debt		
Non-current financial liabilities	93,910	84,033
Non-current contract liabilities	8,609	15,477
Provisions for pensions	3,136	3,152
Deferred taxes	9,580	9,412
	115,235	112,074
Current debt		
Current financial liabilities	46,191	15,254
Trade payables	16,433	10,865
Current other liabilities	9,041	7,532
Current contract liabilities	12,304	15,352
Provisions	1,190	1,291
Income tax liabilities	6,825	9,952
	91,984	60,246
Total shareholders' equity and debt	429,708	397,504

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2023

€ 000s	01.01. – 06.30.2023	01.01. – 06.30.2022
Sales	125,006	137,193
Cost of sales	-99,106	-99,356
Gross profit	25,900	37,837
Research and development expenses	-4,512	-3,967
Sales-related expenses	-6,147	-5,041
General administrative expenses	-9,795	-8,927
Other operating income and expenses	-674	-568
Earnings before interest and taxes (EBIT)	4,772	19,334
Net financial expenses	-1,503	-1,241
Earnings before taxes (EBT)	3,269	18,093
Taxes on income	-855	-5,491
Consolidated net income	2,414	12,602
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences from translation of foreign operations	6,104	-3,286
Other comprehensive income (OCI)	6,104	-3,286
Comprehensive income	8,518	9,316
Basic earnings per share in €	0.20	1.04
No. of shares used as basis (basic)	12,155,942	12,126,743
Diluted earnings per share in €	0.20	1.03
No. of shares used as basis (diluted)	12,167,159	12,178,945

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from April 1 to June 30, 2023

€ 000s	01.04.–06.30.2023	01.04.–06.30.2022
Sales	64,528	61,806
Cost of sales	-51,931	-46,585
Gross profit	12,597	15,221
Research and development expenses	-2,666	-2,126
Sales-related expenses	-3,005	-2,614
General administrative expenses	-4,661	-4,557
Other operating income and expenses	-417	-691
Earnings before interest and taxes (EBIT)	1,848	5,233
Net financial expenses	-710	-701
Earnings before taxes (EBT)	1,138	4,532
Taxes on income	-93	-3,099
Consolidated net income	1,045	1,433
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences from translation of foreign operations	2,842	-3,645
Other comprehensive income (OCI)	2,842	-3,645
Comprehensive income	3,887	-2,212
Basic earnings per share in €	0.09	0.12
No. of shares used as basis (basic)	12,155,942	12,127,390
Diluted earnings per share in €	0.09	0.11
No. of shares used as basis (diluted)	12,159,257	12,175,626

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2022

€ 000s	Share capital	Capital reserve
As of 01.01.2022	12,128	32,217
Equity transactions with owners		
• Dividend payments		
• Issue of subscription shares from stock option programs, less costs of capital issue after taxes	30	1,714
Allocations due to stock option programs		1,214
Comprehensive income of the year		
As of 06.30.2022	12,158	35,145

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2023

€ 000s	Share capital	Capital reserve
As of 01.01.2023	12,158	35,145
Equity transactions with owners		
• Dividend payments		
Allocations due to stock option programs		578
Comprehensive income of the year		
As of 06.30.2023	12,158	35,723

			Other equity		
	Revenue reserves	Treasury stock	Pension plans	Currency translation	Group equity
	165,121	-35	-2,080	-1,592	205,759
	-11,521				-11,521
					1,744
					1,214
	29,223		2,146	-3,381	27,988
	182,823	-35	66	-4,973	225,184

			Other equity		
	Revenue reserves	Treasury stock	Pension plans	Currency translation	Group equity
	182,823	-35	66	-4,973	225,184
	-11,791				-11,791
					578
	2,414			6,104	8,518
	173,446	-35	66	1,131	222,489

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to June 30, 2023

€ 000s	01.01. – 06.30.2023	01.01. – 06.30.2022
I. Operations		
Consolidated net income (after taxes)	2,414	12,602
Depreciation and amortization	8,188	8,507
Current income tax expenses	787	4,969
Income taxes paid less income taxes received	-4,389	-3,304
Financial income	-51	-11
Financial expenses	1,291	944
Interest paid	-1,260	-760
Interest received	51	9
Other non-cash expenses	2,180	4,343
Other non-cash income	-1,068	-2,149
Change in net pension provisions through profit or loss	-48	146
Change in deferred taxes through profit or loss	68	522
Profit (-) / loss (+) on disposals of non-current assets	63	1
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-1,435	-12,122
Increase (+) / decrease (-) in trade payables and other liabilities	-2,857	11,058
Cash flow from operating activities	3,934	24,755
II. Investments		
Incoming payments from disposals of non-current assets		
• Property, plant and equipment	12	17
• Financial assets	3	23
Outgoing payments for investments in non-current assets		
• Intangible assets	-4,617	-4,389
• Property, plant and equipment	-4,312	-3,574
• Financial assets	-1	0
Cash flow from investing activities	-8,915	-7,923
III. Financing		
Incoming funds from taking up of financial liabilities	44,000	42,000
Outgoing payments for repayment of financial liabilities	-3,673	-45,675
Incoming payments from issue of shares for employee stock option programs	0	249
Dividend payments	-11,791	-11,519
Cash flow from financing activities	28,536	-14,945
IV. Cash-effective change in cash (net balance I – III)	23,555	1,887
Cash at start of period	22,668	47,184
Impact of exchange rate movements	145	-259
Cash at end of period	46,368	48,812

SELECT EXPLANATORY NOTE DISCLOSURES

for the period from January 1 to June 30, 2023

Information about the company

STRATEC SE designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the STRATEC Group (hereinafter also "STRATEC") offers complex consumables for diagnostic and medical applications. STRATEC covers the entire value chain – from development to design and production through to quality assurance. The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks, and research institutes around the world. STRATEC develops its products on the basis of its own patented technologies.

STRATEC SE, whose legal domicile is at Gewerbestrasse 37, 75217 Birkenfeld, Germany, is a publicly listed corporation under European law and is registered in the Commercial Register in Mannheim, Germany, with the number HRB 732007.

This Half-Year Financial Report was approved for publication by the Board of Management of STRATEC SE on August 9, 2023.

Basis of preparation

Consistent with § 115 (2) in conjunction with § 117 No. 2 of the German Securities Trading Act (WpHG), the half-year financial report of STRATEC SE comprises interim consolidated financial statements, an interim group management report, and a responsibility statement. The interim consolidated financial statements, which have not been audited, have been prepared in abridged form in accordance with the requirements of IAS 34 (Interim Financial Reporting) and in accordance with those International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and interpretations issued by the International Financial Reporting Interpretations Committee (IFRS IC) that were valid and endorsed by the EU as of the reporting date and, in the case of the interim group management report, additionally in accordance with the applicable requirements of the German Securities Trading Act (WpHG).

The group currency is the euro (€). Unless otherwise indicated, all amounts have been stated in thousand euros (€ 000s). Due to numbers being rounded up or down, individual figures may not add up exactly to the totals stated and percentage figures may not correlate exactly with the absolute figures to which they refer.

Accounting policies applied

Apart from those accounting standards and interpretations requiring mandatory application for the first time in the current financial year and unless indicated otherwise below, the accounting policies applied in the interim consolidated financial statements are consistent with those applied in preparing the consolidated financial statements as of December 31, 2022. A detailed description of the accounting policies was published in the notes to the consolidated financial statements. Reference is made to the information provided in Section "B. Accounting policies applied" in the 2022 Annual Report.

STRATEC has not made premature application of new or amended accounting standards and interpretations that have already been published but do not yet require mandatory application.

The following accounting standards and interpretations require mandatory application for the first time in the current financial year:

Standard	Title	Effective date ¹	EU endorsement
New and amended standards and interpretations			
IFRS 17	Insurance Contracts	01.01.2023	11.19.2021
IAS 1, IFRS Practice Statement 2	Amendments: Disclosure of Accounting Policies (and Amendments to IFRS Practice Statement 2)	01.01.2023	03.02.2022
IAS 8	Amendments: Accounting Policies, Changes in Estimates and Errors	01.01.2023	03.02.2022
IAS 12	Amendments: Deferred Tax Related to Assets and Liabilities from a Single Transaction	01.01.2023	08.11.2022
IFRS 17	Amendments: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01.01.2023	09.08.2022

¹ For companies like STRATEC whose financial year corresponds to the calendar year

The application of these standards and interpretations in the current financial year is consistent with the respective transition requirements. Unless explicitly required by individual standards and interpretations and explained separately below, the respective requirements have generally been applied retrospectively, i.e. the information has been presented as if the new accounting methods had always been applied in the past. In these cases – and where called for by the respective standard – the comparative figures have been adjusted accordingly.

The aforementioned amendments did not have any implications for these interim consolidated financial statements.

Impairment tests

STRATEC performs impairment tests pursuant to IAS 36 (Impairment of Assets) on goodwill and other intangible assets with unlimited or indefinite useful lives, as well as on intangible assets not yet ready for use, at least once a year. Furthermore, impairment tests pursuant to IAS 36 (Impairment of Assets) are performed when specific indications of impairment arise on the basis of external and internal sources of information. Triggered by an amendment to the company's financial guidance, further details of which can be found in the ad-hoc announcement

dated July 18, 2023, and to account for changes in the management and supervision of the company's business, STRATEC tested its material tangible assets for impairment and, where necessary, determined the recoverable amount for each asset or cash generating unit. This did not result in the recognition of any impairment losses.

Scope of consolidation

In accordance with the requirements of IFRS 10 (Consolidated Financial Statements), the consolidated financial statements of STRATEC SE (parent company) basically include all companies controlled by STRATEC SE (subsidiaries). Specifically, alongside STRATEC SE these comprise the following subsidiaries:

		Shareholding %	
Company	Domicile	06.30.2023	12.31.2022
Germany			
STRATEC Capital GmbH	Birkenfeld, Germany	100%	100%
STRATEC PS Holding GmbH	Birkenfeld, Germany	100%	100%
European Union			
STRATEC Biomedical S.R.L.	Cluj-Napoca, Romania	100%	100%
STRATEC Consumables GmbH	Anif, Austria	100%	100%
RE Medical Analyzers Luxembourg 2 S.à r.l.	Bereldange, Luxembourg	100%	100%
Diatron Medicinai Instrumentumok Laboratóriumi Diagnosztikai Fejlesztő-Gyártó Zrt	Budapest, Hungary	100%	100%
Mod-n-More Kft.	Budapest, Hungary	100%	100%
Other			
STRATEC Switzerland AG	Beringen, Switzerland	100%	100%
STRATEC Biomedical USA, Inc.	Medley, US	100%	100%
STRATEC Services AG	Beringen, Switzerland	100%	100%
Medical Analyzers Holding GmbH	Zug, Switzerland	100%	100%
STRATEC Biomedical Inc.	Medley, US	100%	100%
Diatron (US), Inc.	Medley, US	100%	100%

Due to their immaterial significance, the subsidiary STRATEC Biomedical (Taicang) Co. Ltd., Taicang, China, and the subsidiary Diatron MI APAC Privat Limited, Delhi, India, which was acquired as of March 31, 2023, have not been included in the interim consolidated financial statements by way of full consolidation. As Diatron MI APAC Privat Limited solely acts as a shelf company and therefore does not constitute a business pursuant to IFRS 3.3, the acquisition does not result in a business combination as defined in IFRS 3 (Business Combinations). Of the shares in Diatron MI APAC Privat Limited, 99.99% are held by Diatron Medicinai Instrumentumok Laboratóriumi Diagnosztikai Fejlesztő-Gyártó Zrt and 0.01% by der Mod-n-More Kft.

Segment disclosures

To account for STRATEC's continuous integration in recent years and for the fact that the activities and target markets of its business units have become ever more closely aligned, in agreement with the Supervisory Board the Board of Management has decided to manage STRATEC as a "one-segment company" in future. Furthermore, this decision is to be viewed in connection with the extension of the Board of Management of STRATEC SE to include Dr. Georg Bauer, who assumed centralized, cross-product responsibility for sales and business development activities at the existing business units as of January 1, 2023. Internal reporting has therefore been aligned to STRATEC's key value drivers and is based on technologies, systems, products, and performance types provided in connection with automation solutions for highly regulated laboratory markets.

Since the first quarter of 2023, the segment information previously provided in regular internal reporting to the Board of Management as the decision maker for the Instrumentation, Diatron, and Smart Consumables segments has no longer been used as the basis for deciding on the allocation of resources or assessing the earnings performance. The previous segment reporting was therefore provided for the last time as of December 31, 2022. This change has not affected the disclosures made on company level pursuant to IFRS 8.31 et seq.

Sales

The sales generated from contracts with customers in the respective periods are structured as follows:

€ 000s	01.01.– 06.30.2023	01.01.– 06.30.2022
Type of goods or services		
Analyzer systems	54,418	73,133
Service parts and consumables	44,403	46,832
Development and services	25,544	16,558
Other	641	670
Total	125,006	137,193
Geographical regions		
Germany	26,253	24,256
European Union	48,816	56,990
Other	49,937	55,947
Total	125,006	137,193
Time at which sales are recognized		
Recognized at a point in time	124,159	136,229
Recognized over time	847	964
Total	125,006	137,193

Research and development expenses

Research and development expenses not meeting the criteria for capitalization pursuant to IAS 38 (Intangible Assets) totaled € 4.5 million in the first six months of the 2023 financial year (previous year: € 4.0 million) and mainly involved personnel expenses and cost of materials. Overall, STRATEC invested a total of € 28.3 million in research and development in the first six months of the 2023 financial year (previous year: € 25.0 million).

Taxes on income

Taxes actually paid or owed in individual countries and deferred taxes are reported as taxes on income. Interest on tax-related back payments and refunds is reported under other financial expenses.

Tax uncertainties mainly relate to the agreement process currently underway between the German and Swiss tax authorities in respect of the implications of the findings of a company tax audit conducted by German tax authorities for the financial years 2014 to 2017 with regard to the appropriateness of transfer prices and of the implications of these findings for subsequent assessment periods. The additional income tax liabilities recognized as of December 31, 2022 for the financial years 2014 to 2017 and subsequent assessment periods pursuant to IFRIC 23 (Uncertainty over Income Tax Treatments) amounted to € 1,317k as of the interim balance sheet date (12.31.2022: € 3,648k), while related deferred tax receivables amounted to € 2,560k (12.31.2022: € 2,545k). No items were recognized through profit or loss under income tax income/expenses or under financial income/expenses in this respect in the period under report.

Intangible assets and property, plant and equipment

STRATEC invested a total of € 8,929k in intangible assets and property, plant and equipment in the first six months of the 2023 financial year (previous year: € 7,963k).

Investments in intangible assets mainly relate to the capitalization of development expenses, while investments in property, plant and equipment chiefly involve the acquisition of building fittings, machinery, tools, and test materials.

Of non-current assets, excluding financial instruments and deferred taxes, € 78,388k are located in the country of origin of STRATEC SE (12.31.2022: € 76,844k) and € 87,883k in other countries (12.31.2022: € 85,430k).

Financial instruments

The following table presents the carrying amounts of individual financial assets and liabilities for each individual class of financial instruments pursuant to IFRS 9 (Financial Instruments) and reconciles these with the corresponding balance sheet items. The "Fair value in scope of IFRS 7" column presents the fair values of all financial instruments recognized in the interim consolidated financial statements that are in the scope of IFRS 7 (Financial Instruments: Disclosures) and which were not recognized at fair value. The fair value of those financial instruments that are not recognized at fair value is calculated as the present value of future inflows and outflows of cash. Discounting is based on a market interest rate with a congruent term and risk structure. Where a listed price on an active market is available, this has been stated as the fair value. The short maturities of current financial assets and liabilities mean that their fair values approximate to their carrying amounts.

06.30.2023 (12.31.2022)	Measured at amortized cost	Measured at fair value through profit or loss				Not in scope of IFRS 9	Carrying amount in balance sheet	Fair value in scope of IFRS 7
		of which Level 1	of which Level 2	of which Level 3	through OCI			
	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s
Non-current assets								
Financial assets	3,464 (3,439)					101 (100)	3,565 (3,539)	3,464 (3,439)
Current assets								
Trade receivables	45,073 (51,730)						45,073 (51,730)	45,073 (51,730)
Financial assets	582 (446)	695 (958)	69 (0)				1,346 (1,404)	582 (446)
Cash	46,368 (22,668)						46,368 (22,668)	46,368 (22,668)
Total financial assets	95,487 (78,283)	695 (958)	69 (0)	0 (0)	0 (0)	101 (100)	96,352 (79,341)	
Non-current debt								
Financial liabilities	81,907 (72,154)					12,003 (11,879)	93,910 (84,033)	76,543 (67,800)
Current debt								
Financial liabilities	43,039 (11,853)		282 (784)			2,870 (2,617)	46,191 (15,254)	45,288 (13,111)
Trade payables	16,434 (10,865)						16,434 (10,865)	16,434 (10,865)
Total financial liabilities	141,380 (94,872)	0 (0)	282 (784)	0 (0)	0 (0)	14,873 (14,496)	156,535 (110,152)	

Fair value hierarchy

To enhance the comparability and consistency of fair value measurements and related disclosures, IFRS 13 (Fair Value Measurement) stipulates a fair value hierarchy that allocates the input factors used in valuation methods to calculate fair value to three levels. The hierarchy grants the highest priority to prices (taken over without amendment) on active markets for identical assets or liabilities (Level 1 input factors) and the lowest priority to non-observable input factors (Level 3 input factors). The following specific definitions apply:

Input factors: Assumptions that would be used by market participants when determining the price of an asset or liability, including risk assumptions, such as:

- The risk involved in a specific valuation method used to calculate fair value (such as a price model), and
- The risk involved in the input factors used in the valuation method.

Input factors may be observable or non-observable.

Level 1 input factors: Listed prices (taken over without amendment) on active markets for identical assets or liabilities to which the company has access on the valuation date.

Level 2 input factors: Input factors other than the listed prices included in Level 1 that are either directly or indirectly observable for the asset or liability.

Level 3 input factors: Input factors not observable for the asset or liability.

Observable input factors: Input factors derived from market data, such as publicly available information about actual events or transactions, which reflect those assumptions that would be used by market participants when determining the price of the asset or liability.

Non-observable input factors: Input factors for which no market data is available and which are derived from the best information available concerning the assumptions that would be used by market participants when determining the price of the asset or liability.

No items were reclassified within the three input factor levels in the period from January 1 to June 30, 2023 or in the comparative period. The financial assets allocated to Level 1 involve shares in listed companies, which have been measured at the closing price on the stock market with the highest trading volumes as of the balance sheet date. The financial assets of € 69k (12.31.2022: € 0k) and financial liabilities of € 282k (12.31.2022: € 784k) allocated to Level 2 involve forward exchange transactions to hedge currency risks. Overall, these had the following implications for the consolidated statement of comprehensive income:

€ 000s	Level 1	Level 2	Level 3
Balance at 01.01.2022	1,226	-234	0
Total gains or losses recognized through profit or loss			
• Other operating income	0	0	0
• Other operating expenses	0	-2,186	0
• Other financial income/expenses	-307	0	0
Total gains or losses recognized in OCI	0	0	0
• Changes in value			
• Reclassifications out of OCI into profit or loss	0	0	0
Additions	0	0	0
Retirements			
• Due to sale	0	0	0
• Due to derecognition	0	0	0
Currency differences	0	-87	0
Balance at 06.30.2022	919	-2,507	0
Balance at 01.01.2023	958	-784	0
Total gains or losses recognized through profit or loss			
• Other operating income	0	572	0
• Other operating expenses	-263	0	0
• Other financial income/expenses	0	0	0
Total gains or losses recognized in OCI	0	0	0
• Changes in value			
• Reclassifications out of OCI into profit or loss	0	0	0
Additions	0	0	0
Retirements			
• Due to sale	0	0	0
• Due to derecognition	0	0	0
Currency differences	0	-1	0
Balance at 06.30.2023	695	-213	0

Financial liabilities

Financial liabilities include liabilities to banks of € 115,127k (12.31.2022: € 73,623k). Of this total, € 50.0 million (12.31.2022: € 38.0 million) involve liabilities in connection with a master credit facility with a revolving credit line of up to € 55.0 million (12.31.2022: € 55.0 million) and a term through to January 22, 2027. To finance the pending acquisition and further investment opportunities, on June 21, 2023 an additional master credit facility with a revolving credit line of up to € 50.0 million and a term through to June 20, 2024 was agreed with an existing bank. As of the interim balance sheet date, an amount of € 32.0 million of the additional master credit facility had been drawn down. The credit agreements in some cases include contractual arrangements concerning compliance with specific key financial figures (covenants) and general obligations involving restrictions on the disposability of assets and provisos concerning further borrowing. Of the liabilities to banks, € 82.0 million have floating interest rates (12.31.2022: € 38.0 million).

Furthermore, financial liabilities include the total obligation of € 1,353k (12.31.2022: € 970k) stated for expected payments in connection with the stock appreciation rights (SARs) granted. In the period under report, expenses of € 383k were recognized through profit or loss for cash-settled share-based payments (previous year: income of € 870k).

The fair value of stock appreciation rights (SARs) developed as follows:

Stock appreciation rights (SARs)	Tranche 1/2023	Tranche 1/2022	Tranche 1/2021
Issue date	01.23.2023	01.25.2022	03.08.2021
Minimum waiting period	01.23.2027	01.25.2024	03.08.2023
Total term	01.23.2030	01.25.2027	03.08.2026
Fair value at issue date	€ 31.35	€ 37.45	€ 38.05
Fair value at 06.30.2022	n/a	€ 21.59	€ 20.17
Fair value at 12.31.2022	n/a	€ 17.04	€ 15.30
Fair value at 06.30.2023	€ 17.34	€ 8.63	€ 8.26

The development in the number of stock appreciation rights (SARs) is presented below:

Number of rights	Total at 01.01.2023	Granted	Exercised/lapsed/ forfeited	Total at 06.30.2023	of which exercisable
Tranche I/2021	30,000	0	0	30,000	0
Tranche I/2022	30,000	0	0	30,000	0
Tranche I/2023	0	48,800	0	48,800	0
Total	60,000	48,800	0	108,800	0

Risk management activities

STRATEC's assets, liabilities and future activities are subject to liquidity risks, default risks, and market risks resulting from changes in exchange rates, interest rates, and stock market prices.

The allowances recognized for expected credit losses on trade receivables are structured as follows:

€ 000s	Gross amount	of which: not overdue at balance sheet date	of which: overdue at balance sheet date within following time bands		
			up to 30 days	between 30 and 90 days	more than 90 days
06.30.2023	46,416	38,535	5,859	347	1,675
Expected credit loss			160	81	1,115
12.31.2022	52,978	43,576	4,498	2,704	2,200
Expected credit loss			160	270	831

Furthermore, allowances of € 31k were recognized as of June 30, 2023 for expected credit losses on contract assets (12.31.2022: € 31k).

STRATEC had concluded hedging transactions as of June 30, 2023. These involve currency futures intended to hedge future cash flows from sales in USD. No use was made of the hedge accounting provisions of IFRS 9 (Financial Instruments).

Shareholders' equity

The development in shareholders' equity at STRATEC and dividends paid is presented in the consolidated statement of changes in equity. The number of ordinary shares issued by STRATEC SE as of June 30, 2023 amounts to 12,157,841 (previous year: 12,131,495; 12.31.2022: 12,157,841). All shares are fully paid in and are registered shares.

Treasury stock holdings

The company owned a total of 1,899 treasury stock shares at the interim balance sheet date. This corresponds to a prorated amount of € 1,899.00 of the company's share capital and to a 0.02% share of its equity.

Stock option programs

The company had three stock option programs (equity-settled share-based payment) as of June 30, 2023 (previous year: two).

In the financial years 2018 to 2022, individual members of the Board of Management were granted stock appreciation rights (cash-settled share-based payment – SARs) and stock options (equity-settled share-based payment) at a ratio of 75% (SARs) to 25% (stock options) as variable remuneration components with long-term incentive effect. Starting in the 2023 financial year, for the duration of the employment contracts newly concluded as of January 1, 2023 individual members of the Board of Management will not be granted any stock options, but will rather exclusively be granted stock appreciation rights in accordance with the remuneration system approved by the Annual General Meeting on May 20, 2021.

The following options schedule provides a summary of the development in stock option rights in the period under report:

Stock option rights	Board of Management No. of options	Employees No. of options	Total No. of options
Outstanding on 01.01.2023	39,557	143,379	182,936
• of which exercisable	0	8,504	8,504
Granted	0	6,500	6,500
Exercised	0	0	0
Lapsed	0	0	0
Forfeited	0	7,500	7,500
Outstanding on 06.30.2023	39,557	142,379	181,936
• of which exercisable	0	0	0

Components of other comprehensive income (OCI)

The currency translation reserve of € 1,131k recognized within other comprehensive income (OCI) as of June 30, 2023 (previous year: € -4,878k; 12.31.2022: € -4,973k) mainly comprises currency differences arising upon the translation of the separate financial statements of companies whose functional currency is not the euro and from the translation within equity of group-internal net investments as of the reporting date. The change in this item is recognized in the "Currency translation differences from translation of foreign business operations" line item in the statement of comprehensive income.

Select related-party disclosures

In addition to the companies included in the interim consolidated financial statements, STRATEC SE has relationships with related companies and individuals (related parties). These include business relationships with subsidiaries that have not been included in the interim consolidated financial statements due to immateriality, as well as the members of the Supervisory Board and Board of Management of STRATEC SE and their close relatives.

In the first half of 2023, STRATEC SE did not purchase any services from STRATEC Biomedical (Taicang) Co. Ltd. (previous year: € 77k). As of the interim balance sheet date, there were receivables of € 13k (12.31.2022: € 13k).

Mod-n-More Kft. purchased services of € 19k from STRATEC Biomedical (Taicang) Co. Ltd. in the first half of 2023 (previous year: € 71k). As of the interim balance sheet date, there were liabilities of € 25k (12.31.2022: € 5k).

In the first half of 2023, STRATEC procured services of € 80k in connection with the employment of a close family relative of a member of the management in a key position. As of the interim balance sheet date, there were outstanding balances of € 33k in connection with this employment relationship.

As of June 30, 2023, STRATEC reported outstanding balances of € 2,448k in connection with profit participation by members of the Board of Management (12.31.2022: € 2,771k).

Employees

Including temporary employees, STRATEC had a total of 1,512 employees as of June 30, 2023 (previous year: 1,427; 12.31.2022: 1,480).

Major events after the interim reporting date

On June 6, 2023, STRATEC signed an agreement concerning the acquisition in full of Natech Plastics, Inc. (hereinafter "Natech"), based in Ronkonkoma, NY, USA, including its wholly-owned subsidiary Thal Precision Industries LLC, Clark, NJ, USA.

Natech designs and manufactures highly complex polymer-based consumables for customers in medical technology, in-vitro diagnostics, life sciences, consumer goods, and specialist packaging solutions. Natech also has state-of-the-art production capacities for injection molding and assembly, including clean room production. With its complementary product and customer portfolio and its new target markets, Natech marks an addition to STRATEC's business model, which focuses on OEM partnerships, and offers great potential for further targeted diversification in STRATEC's business. With the US production site gained with the acquisition, which is set to be further expanded in the field of production systems, it will be possible in future to address customers' needs even more effectively and to boost STRATEC's position in this important market. Thanks to STRATEC's already strong position in complex consumables ("smart consumables"), particularly in cooperation with the leading players in the in-vitro diagnostics industry, the acquisition is expected to generate notable synergies in terms of sales and technology. The purchase price agreed amounts to USD 30.0 million, plus a variable component (earn-out) with defined performance criteria through to 2025. Natech generated profitable double-digit percentage sales growth in each of the past three years. In the 2022 financial year, its sales amounted to USD 16.3 million. Natech is expected to contribute 3.0 percentage points to STRATEC's sales volumes in the 2023 financial year. Accounting for the associated financing costs, the company is expected to have a neutral to slightly positive impact on STRATEC's adjusted earnings per share in the 2024 financial year.

The acquisition date of Natech is after the interim balance sheet date and prior to the approval for publication of STRATEC's interim group report; however, initial consolidation was not yet completed upon the date of this approval. In particular, no data is yet available for a preliminary purchase price allocation, as the takeover was only completed as of July 1, 2023. The practical expedient provided for in IFRS 3.B66 has therefore been drawn on.

Other than this, no further events of particular significance which can be expected to materially influence the Group's earnings, financial, or asset position have occurred since the interim balance sheet date.

Responsibility statement

We hereby affirm that, to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group consistent with the principles of proper accounting, and the interim group management report 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 in the remainder of the financial year.

Birkenfeld, August 9, 2023

STRATEC SE

The Board of Management



Marcus Wolfinger



Dr. Robert Siegle



Dr. Claus Vielsack



Dr. Georg Bauer

FINANCIAL CALENDAR

08 08.09.2023 Half-Year Financial Report H1 2023	10 10.27.2023 Quarterly Statement 9M 2023	11 11.28.2023 German Equity Forum (Analyst Conference)
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Subject to amendment.

Quarterly statements and half-year financial reports are neither audited nor subject to an audit review by the group auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

ABOUT STRATEC

STRATEC SE (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and life sciences. Furthermore, the company offers complex consumables for diagnostic and medical applications. For analyzer systems and consumables, STRATEC covers the entire value chain – from development to design and production through to quality assurance.

The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange and are listed in the SDAX select index of the German Stock Exchange.

IMPRINT AND CONTACT

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Notice

Forward-looking statements involve risks: This half-year financial report contains various statements concerning the future performance of STRATEC. These statements are based on both assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected. It is not planned to update these forward-looking statements.

This half-year financial report contains various disclosures that from an economic point of view are not required by the relevant accounting standards. These disclosures should be regarded as a supplement, rather than a substitute for the IFRS disclosures.

Apparent discrepancies may arise throughout this half-year financial report on account of mathematical rounding up or down in the course of addition.

This half-year financial report is available in both German and English. Both versions can be downloaded from the company's website at www.stratec.com. In the event of any discrepancies between the two, the German report is the definitive version.