

# Annual Report 2021/22





# Contents

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<b>Profile</b>	4
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<b>At a glance</b>	5
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<b>Key financials</b>	6
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## **Management report**

To our shareholders	8
Business model and strategy	12
Divisions	14
Information for investors	18

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## **Corporate governance**

Basis of the corporate governance report	21
Governance-related events in fiscal year 2021/22	21
Group structure and significant shareholders	22
Capital structure	25
Board of Directors	29
Executive Committee	38
Compensation, shareholdings and loans	41
Shareholders' participation rights	42
Change-of-control clauses and takeover defenses	45
Auditors	45
Communication policy	47
Blackout periods for trading	48

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## **Compensation report**

Introduction	51
Guiding principles	51
Responsibility and procedures for determining compensation	52
Compensation system for the Board of Directors	53
Compensation system for the Executive Committee	54
Compensation of the members of the Board of Directors and Executive Committee for fiscal year 2021/22	57
Benefits to former members of management	59
Related parties	59
Report of the statutory auditor on the compensation report	60

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## **Financial report**

Consolidated financial statements of the Schaffner Group	62
Notes to the consolidated financial statements	66
Report of the statutory auditor on the consolidated financial statements	90
Company financial statements of Schaffner Holding AG	94
Notes to the company financial statements	96
Report of the statutory auditor on the company financial statements	106

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<b>Addresses</b>	108
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# Schaffner – MORE POWER TO YOU

The Schaffner Group is a global leader in EMC filter solutions for high-potential industrial markets and electromobility. The Group's portfolio includes EMC filters, electromagnetic components, power quality filters and the related services. Schaffner products protect power electronic systems against interference from the electricity grid in industrial applications such as machinery and robotics, in medical technology, building-systems engineering and electrical infrastructure. In electric and hybrid vehicles, Schaffner EMC filters prevent electromagnetic interference in the on-board power electronics and ensure reliable operation. For the automobile industry, Schaffner also develops and manufactures antennas for keyless authentication systems. Headquartered in Switzerland, the Schaffner Group serves its customers through its own engineering, manufacturing, sales and application centers, with presence in Asia, Europe and North America.

## At a glance

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Order intake

**174.3**

in CHF million

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Net sales

**158.2**

in CHF million

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EBIT

**15.4**

in CHF million

**9.7%**

of net sales

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Net profit

**12.6**

in CHF million

**8.0%**

of net sales

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ROCE<sup>1</sup>

**24.4%**

<sup>1</sup>Return on capital employed.

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Equity ratio

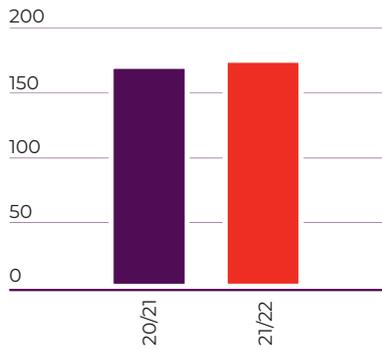
**57.8%**

of total assets

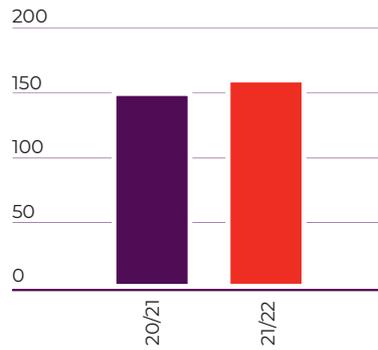


# Key financials

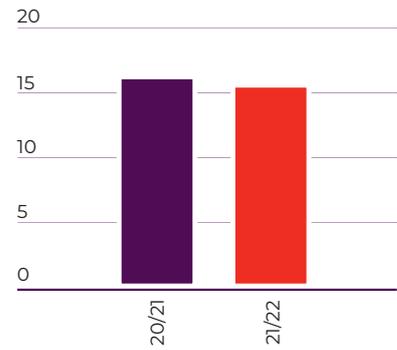
**Order intake<sup>1</sup>**  
in CHF million



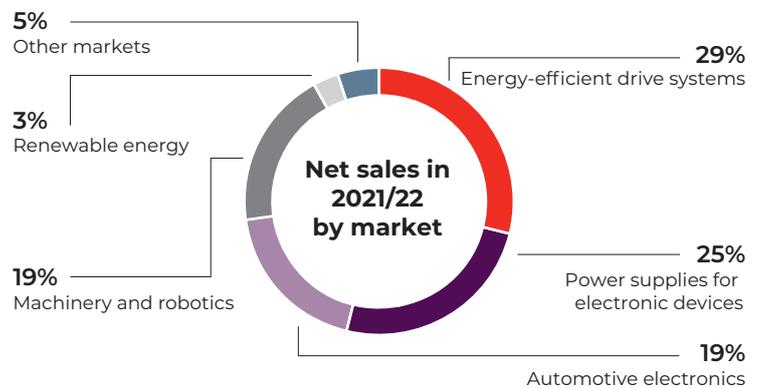
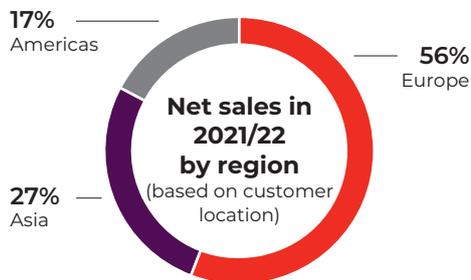
**Net sales<sup>1</sup>**  
in CHF million



**Operating profit (EBIT)<sup>1</sup>**  
in CHF million



<sup>1</sup> Continuing operations, i.e., excluding the Power Magnetics division sold in 2021.



# To our shareholders



Urs Kaufmann, Chairman of the Board of Directors  
Marc Aeschlimann, Chief Executive Officer

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## Net sales

in CHF million  
2020/21: CHF 147.3 million  
(continuing operations)

**158.2**

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## EBIT

in CHF million  
2020/21: CHF 16.1 million  
(continuing operations)

**15.4**

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## EBIT margin

2020/21: 10.9%  
(continuing operations)

**9.7%**

## Dear shareholder

2021/22 was a challenging, an intense and a successful year for the Schaffner Group. The challenges lay in supply chain bottlenecks, price spikes in freight rates and raw materials, and the impact of the COVID-19 lockdowns in China and the war in Ukraine. Overcoming these challenges and, at the same time, satisfying the very strong demand from the Industrial markets required extraordinary commitment from all employees. We had to rapidly increase our production capacity to be able to deliver, adjust our price structure to the higher costs, ensure the availability of materials, and find alternative ways and means of transportation. The Schaffner Group managed effectively through this environment and thus had a successful fiscal year 2021/22.

## Sales growth above target

Overall, the Schaffner Group achieved growth of 7.4% in continuing operations (i.e., excluding the Power Magnetics division sold in the prior year) to net sales of CHF 158.2 million in fiscal year 2021/22 (prior-year continuing operations: CHF 147.3 million). The growth rate thus exceeded the 5% mark identified by Schaffner as the medium-term target. Excluding currency translation effects, the sales increase even amounted to 10.5%. The negative currency translation impact of 3.1 percentage points resulted primarily from the depreciation of the euro against the Swiss franc and, to a lesser degree, from the weaker Chinese yuan. Order intake (new orders) in continuing operations rose by 2.3% to CHF 174.3 million, for a book-to-bill ratio of 1.10.

**In the Industrial business in the USA, Schaffner gained several new customers, thanks to better availability of product and faster delivery times than competitors could offer.**

Particularly strong growth in the reporting period was achieved in the Americas region, where sales jumped by 58.4%. In the Industrial business in the USA, Schaffner gained several new customers, thanks to better availability of product and faster delivery times than competitors could offer. While the Asia region, with 13.1% growth in net sales, trended approximately in line with the Schaffner Group as a whole, Europe saw a sales decrease of 4.2% owing to the greater role played by the automotive sector in this region.

**Growth surge in the Industrial division**

The Industrial division had an outstanding fiscal year 2021/22. Net sales climbed by a strong 18.3% to CHF 128.5 million (prior year: CHF 108.6 million); in fact, at constant currencies the increase would have been 21.4%. The sales growth occurred across all market segments and regions. To satisfy the strong customer demand, Schaffner substantially expanded capacity at the plants in China and Thailand, by more than 50% at its peak. Thanks to this high degree of flexibility in manufacturing, the Industrial division was ready to deliver at all times during the year under review. Schaffner was able to largely pass on the marked rise in raw material prices and high logistics costs to customers.

**Automotive division held back by supply bottlenecks**

For the Automotive division, fiscal 2021/22 was an extremely demanding year. Compared to the high base of the prior year, net sales declined by 23.1% to CHF 29.7 million (2020/21: CHF 38.7 million). Although the automotive industry continued to record good demand for new vehicles and a high order backlog, auto makers were nowhere near able to produce the quantities ordered, due to bottlenecks in the supply of semiconductor chips and other key components, such as cable harnesses. Some car companies were even forced to shut down production for months. As a consequence, they needed significantly fewer Schaffner components than they had originally planned. Strategy implementation at Schaffner made progress in the year despite the challenging environment. For example, the Automotive division won further new orders for EMC filter solutions for electric vehicles – including business from car manufacturers that had not previously been Schaffner customers.

**To satisfy the strong customer demand, Schaffner substantially expanded capacity at the plants in China and Thailand, by more than 50% at its peak.**

**Profitability improved in the course of the year**

With EBIT of CHF 15.4 million, corresponding to an EBIT margin of 9.7%, the Schaffner Group achieved a solid result that was only slightly below the medium-term margin target range. Compared to the previous year's operating EBIT of CHF 18.2 million (EBIT before goodwill recycling), there was a decline of 15.5%, which was attributable to the drastically higher logistics costs at the beginning of 2022 – some of which doubled – and to the increased raw material prices.

Added to this was the large-scale lockdown in China, which lasted from the end of March to the beginning of June, longer than officially announced. The cordoning-off of entire economic regions prevented access to local markets, which affected both the Industrial and the Automotive division. In addition, the Group was confronted with the temporary closure of its manufacturing operation in Shanghai and delays in deliveries of Schaffner products. Schaffner was only able to catch up with the resulting backlog fully in the new fiscal year 2022/23.

Passing on higher raw material prices and optimizing logistics cost brought a substantial earnings improvement in the second half of 2021/22. Accordingly, the EBIT margin increased from 9.0% in the first six months of 2021/22 to 10.5% in the second half of the year. Net profit for fiscal 2021/22 was CHF 12.6 million. Earnings per share (EPS) reached CHF 19.99.

**Passing on higher raw material prices and optimizing logistics cost brought a substantial earnings improvement in the second half of 2021/22.**

#### **Sound equity base, good ROCE**

As of 30 September 2022, the Schaffner Group registered an increase in net working capital to CHF 37.2 million, from CHF 25.6 million one year earlier. This was due to higher inventories, as comparatively more goods were in transit, i.e., on their way to customers. Schaffner deliberately relies more on sea freight than air freight in order to save shipping costs and emissions. In addition, raw material inventories were increased on a selective basis to ensure material availability.

The inventory build-up was also the main reason for the negative free cash flow of CHF 2.2 million. The capital expenditures of CHF 5.8 million went primarily to capacity expansion, the industrialization of projects in the Automotive division, and a solar roof for the factory in Thailand.

**Despite significantly higher capital employed, ROCE reached a good 24%.**

The Schaffner Group remains very soundly financed. Equity stood at CHF 69.9 million at the end of the fiscal year, with an equity ratio of 57.8%. The net cash position as of 30 September 2022 was CHF 3.9 million. Despite significantly higher capital employed, ROCE (return on capital employed) reached a robust 24%.

#### **Dividend**

The Board of Directors of Schaffner Holding AG will propose at the Annual General Meeting on 10 January 2023 to pay a total dividend of CHF 9.00 per share for fiscal year 2021/22. The planned distribution will consist of an ordinary dividend of CHF 4.50 per share from retained earnings and a distribution (exempt from withholding tax) of CHF 4.50 per share from the distributable share premium reserve.

#### **Markus Heusser proposed as new Chairman of the Board of Directors**

In addition, at the upcoming Annual General Meeting the Board of Directors will propose Markus Heusser for election as the new Chairman of the Board. Markus Heusser has several years of experience as chairman and member of boards of directors. He also possesses many years of management experience with internationally operating Swiss industrial companies. The Board of Directors is convinced that Markus Heusser brings the capabilities and extensive experience to ensure the further successful strategic development of the Schaffner Group.

Subject to shareholder approval, he will succeed Urs Kaufmann, who has decided for personal reasons not to stand for re-election after six years as Chairman. The Board of Directors and management would like to thank Urs Kaufmann for his valuable work.

### First sustainability report published

At the same time as this Annual Report, the Schaffner Group is for the first time presenting a detailed sustainability report in accordance with the internationally recognized Global Reporting Initiative (GRI) standard. True to our vision that “We play a vital role in building a sustainable and electrified society – by shaping electrical power”, Schaffner’s innovative customer solutions contribute to the efficient, reliable and sustainable use of electrical energy. At the same time, the Schaffner Group also acts sustainably itself by minimizing negative impacts of its business activities on the environment, fulfilling its responsibility to employees and engaging for the good of society. Through the sustainability report, we want to transparently inform shareholders like you, and other stakeholders, about our objectives, measures and results in this area. The sustainability report is available on the Schaffner Group website.

### Outlook

Schaffner continues to enjoy a good business performance, mainly supported by the very high order backlog from the Industrial markets. In the Automotive division, an incremental recovery has been noticeable since the summer as component bottlenecks gradually ease. The automotive sector is likely to move independently of the economic environment, as vehicles have already been ordered and therefore must be delivered.

In the Industrial markets, various sources of uncertainty are currently shaping the global economy: recession fears, high energy prices and correspondingly high inflation, possible renewed COVID-19 lockdowns, and the further course of the war in Ukraine. An economic slowdown of some degree seems likely in the coming months. Against this backdrop, it is difficult to forecast the business performance for the current year as a whole. The Schaffner Group is thus refraining from providing guidance for fiscal 2022/23 at this time. However, Schaffner reaffirms its medium-term targets of organic growth of over 5% per year and an EBIT margin in the range of 10% to 12%.

**Schaffner reaffirms its medium-term targets of organic growth of over 5% per year and an EBIT margin in the range of 10% to 12%.**

### Many thanks

After this challenging, intense and successful year, our thanks go above all to our employees. Every day, they put their energy, knowledge and experience to work for Schaffner. On behalf of the Board of Directors and the Executive Board, we would thus like to express our sincere gratitude to our staff. We also warmly thank our customers for their trust and you, our valued shareholder, for your support.



**Urs Kaufmann**  
Chairman of the Board



**Marc Aeschlimann**  
Chief Executive Officer

# Business model and strategy

**Schaffner adds value for customers by combining its leading expertise in electromagnetic compatibility with continuous innovation and local application support. The Group's business model has two mutually reinforcing dimensions. The growth strategy is based on the existing strengths while also targeting attractive market opportunities.**

Building on its leading expertise in electromagnetic compatibility (EMC), the Schaffner Group is constantly driving forward innovation projects in its research and development centers in Europe and Asia. The resulting products, applications and solutions provide superior customer benefits and form the basis for the Schaffner Group's reputation as the market and technology leader.

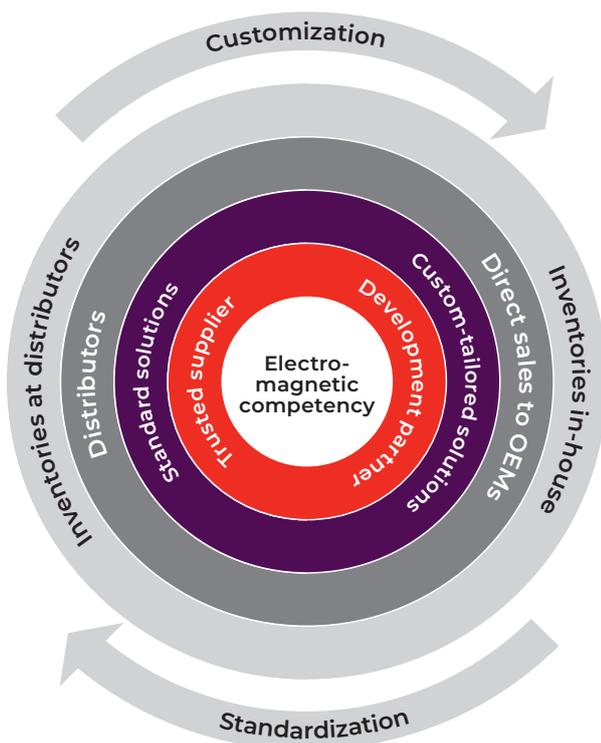
The manufacturing is done in Schaffner's own production facilities. A globe-spanning network of distribution partners and local application centers ensures rapid product availability, customer proximity and local support.

## Business model

Schaffner's business model brings together two dimensions, which are rooted in the company's electromagnetic know-how and stimulate and reinforce each other:

In the first of these dimensions, the Schaffner Group is the preferred development partner to its customers. These – largely original equipment manufacturers, or OEMs – rely on Schaffner for solutions tailored to their particular requirements and specifications. Schaffner develops the corresponding customized solutions and sells them directly to these customers. The inventory of such components, which are required in varying quantities, is held by Schaffner itself.

Often, customer-specific solutions that are suitable for broader application are developed into families of standard products, thus feeding the second dimension of the business model: Acting as a reliable supplier, Schaffner sells standard products and solutions through its global network of distribution partners, who ensure high availability with their own warehousing facilities.



- Schaffner's role in customer relationship
- Schaffner solutions
- Distribution channel
- Supply chain/inventory

With the broadest product range in the industry, Schaffner has a strong reputation as the market leader and leading innovator in the EMC filter space. This renown in turn prompts customers to choose Schaffner as the preferred development partner for solutions designed to their unique requirements.

### **Growth strategy**

Schaffner has formulated growth strategies for its two divisions that place the focus on existing strengths and on attractive market opportunities:

#### **Industrial division**

The Industrial division's growth strategy is aimed at further expanding its leading global position in the EMC filter solutions and magnetic components business. The product portfolio is being further developed both for greater penetration of existing strategic markets and for new areas of application within these core markets. In addition, with novel technologies and solutions, the Industrial division is moving into growth markets adjacent to the existing core business and thus expanding its sales potential.

Examples of application spaces where Schaffner intends to expand its position with its EMC filter solutions are industrial robots, charging stations for electromobility, and LED lights. For all of these markets, Schaffner has launched new product families of EMC filters, which are enjoying a positive reception.

#### **Automotive division**

In addition to the long-standing existing business of antennas for keyless authentication systems, the Automotive division is building a second pillar in the form of EMC filter solutions for electromobility. E-mobility will grow strongly in the coming years and electric vehicles, whether fully electric or hybrid, require various EMC filter solutions for trouble-free operation.

Schaffner is involved in a number of development projects for e-mobility platforms and is ideally positioned to play a significant role in this market. This is made possible both by its leading EMC filter expertise, and by the already well-established customer relationships developed with OEM manufacturers and tier 1 suppliers through its antenna activities. In parallel with the growth strategy in the e-mobility sector, Schaffner will continue to expand the antenna business by introducing new designs.

# Industrial division

**The Industrial division, the world market leader in EMC filters, was able to build on the good performance of the previous year and significantly increase both new orders and net sales. The growth was achieved in all market segments and regions. As part of the strategic growth initiatives, notable new projects (and thus future sales) were won in the market segments of rapid charging systems for electric vehicles and of robotics.**

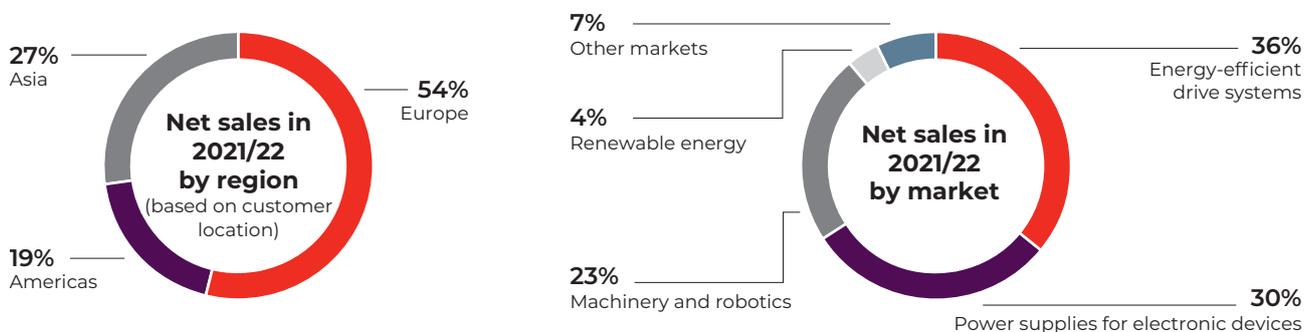
## Business activity

The Industrial division develops and manufactures electromagnetic compatibility (EMC) filters and power quality filters, which protect power electronic systems against interference from the electricity grid and ensure their reliable operation. The division offers the widest range of filter solutions on the market. About half of the sales volume consists of standard products handled by its global network of distributors, and the other half represents customized solutions provided via Schaffner's own distribution centers. These two channels ensure rapid availability of the products. In addition, the Industrial division maintains numerous service and application centers in order to be close to customers worldwide.

## Market

The Industrial division is the world's leading maker of EMC filters. By the latest estimate, its market share is in excess of 20%. The key markets served include energy-efficient drive systems, machinery and robotics, and power supplies for electronic systems. Other applications are in rapid charging systems for electric vehicles, building-systems engineering, medical technology, data centers, renewable energy, and LED lamps.

All markets had robust trajectories in the year under review. Growth momentum in the newly established business area of rapid charging systems for electromobility was particularly strong. Geographically as well, the growth was broad-based, with sales increasing in all regions. The division's new region-based organizational structure, which enables even more efficient market development in the regions, has paid off. The Industrial division generated 54% of its sales in Europe, 27% in Asia and 19% in the Americas.



## Financials

In CHF '000	2021/22	H1 2021/22	H2 2021/22	2020/21	H1 2020/21	H2 2020/21
Order intake	144.1	75.0	69.1	131.8	59.6	72.1
Net sales	128.5	63.6	64.9	108.6	48.3	60.3

### Business performance

Net sales of the Industrial division climbed by a strong 18.3% to CHF 128.5 million in the fiscal year (prior year: CHF 108.6 million); excluding currency translation effects, the increase would have been even higher, at 21.4%. In the first half of 2021/22, the division delivered growth of 31.6% to a new half-year total of CHF 63.6 million, achieving double-digit increases in all of its main markets and all regions. In the second half of the year, net sales were CHF 64.9 million. New orders in the full year 2021/22 rose by 9.3% to CHF 144.1 million (prior year: CHF 131.8 million).

### Innovation

In the year under review as well, the Industrial division advanced its strategic initiatives to increase market penetration. New projects were won in the markets for electric-vehicle charging systems, robotics and LED lighting. Especially business with fast-charging systems for electromobility was excellent, with strong double-digit volume growth and new projects in all sales regions. The robotics area also made further headway, including a successful project completion with a leading robotics manufacturer. There are firm plans to use Schaffner EMC filters in several strategic robotics developments, which will generate future sales in this market segment.

**DC filter for EV fast-charging stations**



**EMC filter for robotic applications**



**Choke for EV wallbox charging systems**



# Automotive division

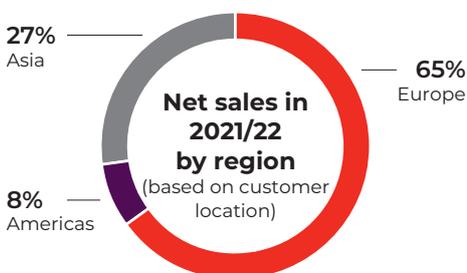
**The Automotive division experienced a significant decline in net sales in fiscal 2021/22. This was due to bottlenecks in supplies of semiconductor chips and other key components, which slowed down automobile production worldwide and thus also reduced demand for Schaffner products. In a positive development, Schaffner was able to win further new orders for EMC solutions, which will ensure additional sales in the future.**

## Business activity

The Automotive division develops and manufactures custom-tailored EMC filter solutions and magnetic components for hybrid and electric vehicles as well as antennas for keyless authentication systems. The EMC filters prevent electromagnetic interference in the on-board power electronics and ensure trouble-free operation of the vehicle. The antennas are used for keyless authentication for locking systems, electronic immobilizers and other convenience features in vehicles.

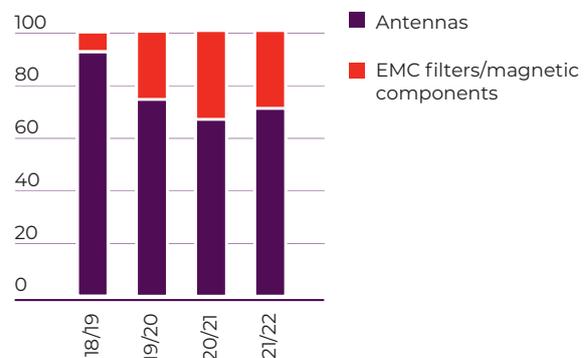
## Market

The Automotive division is one of the world's leading developers of antennas for vehicle keyless authentication systems. This business accounted for 72% of the division's sales. The other 28% were generated in the fast-growing e-mobility market, in which Schaffner is exceedingly well positioned through its comprehensive EMC filter expertise. The antenna business also enables the division's EMC activities to build on well-established customer relationships with leading automobile manufacturers and system suppliers. The division is thus involved in various development projects for e-mobility platforms of the future. Of the division's sales, 65% are generated in Europe, 27% in Asia and 8% in the Americas.



## Net sales by product group

in %



## Financials

In CHF '000	2021/22	H1 2021/22	H2 2021/22	2020/21	H1 2020/21	H2 2020/21
Order intake	30.2	16.0	14.2	38.5	22.4	16.0
Net sales	29.7	15.3	14.4	38.7	21.8	16.8

### Business performance

2021/22 was a difficult year for the Automotive division. Marked production cuts by auto makers took a toll on Schaffner as a supplier. Compared to the strong prior year, net sales fell sharply by 23.1% to CHF 29.7 million (2020/21: CHF 38.7 million). In the first half of fiscal 2021/22, net sales were CHF 15.3 million. The figure for the second half of the year was slightly lower yet, at CHF 14.4 million. Only from the summer on was a gradual improvement noticeable. On the cost side, lower capacity utilization at the plant in Thailand was the main negative factor in the Automotive division.

### Innovation

The Automotive division won further new orders for EMC filter solutions for electric vehicles in fiscal year 2021/22. Encouragingly, this also includes e-mobility platforms from automobile manufacturers that were not Schaffner customers before. Today, the Automotive division has a development pipeline with several projects in the industrialization stage that will generate sales in one to three years.

EMC filter



Common mode choke



High-voltage transformer



# Information for investors

## Key share data for Schaffner Holding AG

Key share data		2021/22	2020/21	2019/20
Number of shares (par value of CHF 32.50)		635,940	635,940	635,940
Weighted average number of shares outstanding (entitled to dividend)		631,069	631,692	633,828
Earnings per share (EPS)	in CHF	19.99	-3.63	4.28
Shareholders' equity per share	in CHF	109.84	106.26	89.55
Repayment of excess share premium per share	in CHF	4.50 <sup>1</sup>	4.50	1.00
Dividend per share	in CHF	4.50 <sup>1</sup>	4.50	1.00
Total distribution per share	in CHF	9.00 <sup>1</sup>	9.00	2.00

Share price <sup>2</sup>		2021/22	2020/21	2019/20
High for year	in CHF	340	312	231
Low for year	in CHF	265	181	122
At end of year	in CHF	268	282	181

Market capitalization <sup>2</sup>		2021/22	2020/21	2019/20
High for year	in CHF million	216	198	147
Low for year	in CHF million	169	115	78
At end of year	in CHF million	170	179	115

<sup>1</sup> Subject to approval by the Annual General Meeting on 10 January 2023.

<sup>2</sup> Period: fiscal year from 1 October to 30 September. Source: Bloomberg.

The registered shares of Schaffner Holding AG are listed on the SIX Swiss Exchange and traded in its main market segment.

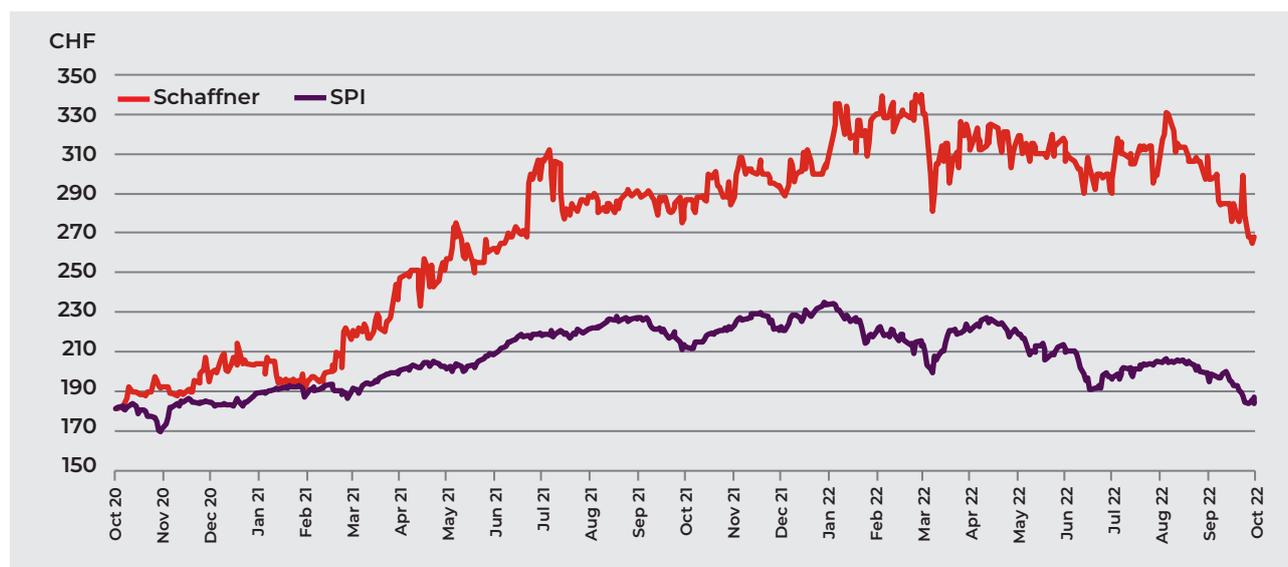
<b>Swiss security number:</b>	906209	<b>Telekurs ticker:</b>	SAHN
<b>ISIN:</b>	CH 0 009 062 099	<b>Index memberships:</b>	SPI, SPI Extra, SPI ex SLI, SPI ESG, SPI ESG Select, Swiss All Share Index

## Financial calendar

10 January 2023	27th Annual General Meeting
4 May 2023	Publication of half-year report 2022/23
6 December 2023	Publication of annual report 2022/23
9 January 2024	28th Annual General Meeting

## Share price performance

Share price performance on the SIX Swiss Exchange over the last two fiscal years (1 October to 30 September) relative to the Swiss Performance Index (SPI), based on the daily closing price.



## Dividend policy

Schaffner Holding AG pursues an earnings-based dividend policy, distributing 40% to 50% of a fiscal year's net profit to shareholders. For fiscal year 2021/22, the Board will propose at the Annual General Meeting on 10 January 2023 to make a total distribution of CHF 9.00 per share to shareholders.

## Shareholders

At 30 September 2022, there were 1,047 shareholders registered with voting rights in the share register of Schaffner Holding AG. Of the total issued shares, 0.9% were held by Schaffner Holding AG, as treasury shares.

An overview of the shareholder structure of Schaffner Holding AG at the balance sheet date, showing those shareholders who reported holding 3% or more of voting rights, is presented in the corporate governance section on page 24.

## Investor relations contacts

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+41 44 809 58 53

# **Corporate governance 2021/22**

# Corporate governance

## 1 Basis of the corporate governance report

This corporate governance report of Schaffner Holding AG (“the Company”) describes the Schaffner Group’s principles of leadership and control, based on the Directive on Information Relating to Corporate Governance (DCG) issued by the SIX Swiss Exchange. Unless indicated otherwise, the information in this report for fiscal year 2021/22 is as at 30 September 2022 or for the year then ended. This corporate governance report substantially follows the current guidelines and recommendations of the Swiss Code of Best Practice for Corporate Governance issued by Economiesuisse, the Swiss business federation. The principles and rules of corporate governance are set out in the Articles of Association and the Organizational Regulations (German name: Organisationsreglement) of Schaffner Holding AG, which, like all of the Company’s relevant corporate governance documents, can be found at:

[www.schaffner.com/investors/corporate-governance](http://www.schaffner.com/investors/corporate-governance)

## 2 Governance-related events in fiscal year 2021/22

### 2.1 Resolutions of the most recent Annual General Meeting

At the 26th Annual General Meeting (AGM) of Schaffner Holding AG on 11 January 2022, shareholders re-elected the existing Board members Philipp Buhofer, Urs Kaufmann, Gerhard Pegam and Andrea Tranel as members of the Board of Directors for the term ending at the conclusion of the next AGM. Urs Kaufmann was re-elected as Chairman of the Board of Directors for the term ending at the conclusion of the next AGM, and he and Philipp Buhofer were appointed as members of the Nomination and Compensation Committee. Shareholders at the 26th AGM also appointed the lawyer and notary Jean-Claude Cattin, based in the town of Grenchen, as the independent proxy for a period of one fiscal year and re-elected BDO AG of Solothurn as the external auditors for fiscal year 2021/22. As well, the AGM approved the distribution of an ordinary dividend of CHF 4.50 per share entitled to dividends, and additionally the distribution of CHF 4.50 per share from the distributable share premium reserve. The AGM adopted the compensation report for fiscal year 2020/21 in a consultative vote. For the compensation of the Board of Directors, shareholders approved a maximum aggregate amount of CHF 550 thousand for the period to the 27th AGM, which will be held on 10 January 2023. For the compensation of the Executive Committee for fiscal year 2022/23, shareholders approved a maximum aggregate amount of CHF 2,500 thousand. The minutes of the 26th Annual General Meeting of Schaffner Holding AG (in German only) can be accessed on the Schaffner Group’s website under the “Annual General Meeting” tab found at:

[www.schaffner.com/investors/annual-general-meeting](http://www.schaffner.com/investors/annual-general-meeting)

## 2.2 Changes in Group structure

The Schaffner Group sold the former Power Magnetics division with effect from 30 June 2021. Since then, Schaffner's activities are focused on the core competency of EMC filter solutions for promising industrial markets and for electromobility. As a consequence, the Schaffner Group adjusted its management structure effective 1 October 2021: The existing "EMC" division was renamed the "Industrial" division. It serves markets such as machinery and robotics, medical technology, building services technology and electrical infrastructure. The EMC filter solutions business for electromobility and antennas for keyless authentication systems for the automobile industry will continue to operate as the Automotive division.

## 2.3 Changes on the Executive Committee in the year under review

Since 1 October 2021, CEO Marc Aeschlimann, in addition to managing the Schaffner Group as a whole, also directly leads the Industrial division. Guido Schlegelmilch, previously Head of the EMC division, took over Products & Technologies, a newly created strategic unit that provides the Industrial division with services encompassing research and development, innovation, technology and product management. As a result, he ceased to be a member of the Schaffner Group Executive Committee.

## 3 Group structure and significant shareholders

### 3.1 Group structure

#### 3.1.1 Group operating structure

The Schaffner Group has a divisional organizational structure, made up of the two divisions Industrial and Automotive. The reporting to the Executive Committee follows this structure.

The chart below shows the Group's operating structure at 30 September 2022:

<b>Annual General Meeting</b>
<b>Board of Directors</b>
Risk and Audit Committee, Nomination and Compensation Committee
<b>Executive Committee</b>
Group functions
Industrial division, Automotive division

The Chief Executive Officer has responsibility for the operational management of the Schaffner Group. He is also the head of the Executive Committee, which is the top echelon of the Group's operational management. The management of the Schaffner Group is provided by the Board of Directors and (through the Board's delegation of authority) by the Chief Executive Officer and the Executive Committee. The division of responsibilities between the Board, the Chief Executive Officer and the Executive Committee is described in this corporate governance report from page 35 in section 5.6, from page 36 in section 5.7 and from page 38 in section 6.

The Executive Committee had the following structure at 30 September 2022:

#### Executive Committee

Marc Aeschlimann	Chief Executive Officer
Christian Herren	Chief Financial Officer
Martin Lütenegger	Executive Vice President

More information about the Executive Committee is provided from page 38 in section 6 of this corporate governance report.

### 3.1.2 Listed companies

The Schaffner Group maintains an international presence through a combination of its own subsidiaries and a network of independent distributors. The parent company of the Schaffner Group is Schaffner Holding AG, whose shares are traded on the SIX Swiss Exchange.

Schaffner Holding AG is the only Group company listed on a stock exchange.

Schaffner Holding AG is a public limited company incorporated in Switzerland and has its registered office in Luterbach. At 30 September 2022, the share capital consisted of 635,940 ordinary registered shares with a total nominal value of CHF 20,668,050.

Registered office	4542 Luterbach, Switzerland
Listing exchange and regulatory standard	SIX Swiss Exchange, Swiss Reporting Standard
Swiss security number (Valor)	906209
ISIN	CH 0 009 062 099
Ticker symbol	SAHN
Nominal value per share	CHF 32.50

Key share data for Schaffner Holding AG is provided on page 18 of this annual report.

### 3.1.3 Non-listed Group companies

The directly and indirectly held companies consolidated in the Group accounts of Schaffner Holding AG are shown on page 89 of this report in the notes to the consolidated financial statements.

## 3.2 Significant shareholders

At 30 September 2022, there were 1,047 shareholders registered with voting rights in the share register of Schaffner Holding AG (prior year: 1,099). Of the total issued shares, 0.9% were held by Schaffner Holding AG, as treasury shares (prior year: 0.9%). At 30 September 2022, shares of unregistered owners amounted to 12.5% of the issued shares (prior year: 14.9%).

According to the information available to the Board of Directors, the following shareholders held 3% or more of the share capital and voting rights of Schaffner Holding AG on the balance sheet date.

Shareholder	Equity interest
BURU Holding AG <sup>1</sup>	17.2%
J. Safra Sarasin Investmentfonds AG	9.8%
UBS Fund Management (Switzerland) AG	9.1%
Mirabaud – Equities Swiss Small and Mid	5.1%
Jörg Wolle	4.1%
Roger E. Lombard	3.1%
Marc Buhofer	3.1%
Matter Group AG <sup>2</sup>	3.0%

<sup>1</sup> Beneficial owners: Philipp Buhofer, Elisabeth Buhofer-Rubli, Martin Buhofer, Annelies Häcki-Buhofer.

<sup>2</sup> Beneficial owner: Thomas Matter.

In connection with the disclosure obligations under stock exchange law for shareholders whose share of voting rights reaches, rises above or falls below certain thresholds, the following shareholders filed notifications with Schaffner Holding AG and SIX Swiss Exchange AG in fiscal year 2021/22.

19 May 2022	Jörg Wolle Dissolution of a shareholder group
14 May 2022	Roger E. Lombard Dissolution of a shareholder group
14 May 2022	Marc Buhofer Dissolution of a shareholder group
13 May 2022	BURU Holding AG (beneficial owners: Philipp Buhofer, Elisabeth Buhofer-Rubli, Martin Buhofer, Annelies Häcki-Buhofer) Dissolution of a shareholder group
1 April 2022	RoPAS (CH) Institutional Fund - Equities Switzerland (5.66%) (beneficial owner: UBS Fund Management (Switzerland) AG) Reduction to below 10% of voting rights

Further information on significant shareholders is provided on page 104 in the notes to the company financial statements of Schaffner Holding AG. As well, a current list of significant shareholders is available on the website of the SIX Swiss Exchange at:

[www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/](http://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

### 3.3 Cross-shareholdings

There were no cross-shareholdings between Schaffner and other publicly traded companies.

## 4 Capital structure

### 4.1 Issued share capital

Schaffner Holding AG has an issued share capital of CHF 20,668,050, consisting of 635,940 registered shares with a nominal value of CHF 32.50 per share. The issued shares are fully paid. Each share carries one vote at the General Meeting. All shares not held by the Company or by one of its subsidiaries carry dividend and voting rights.

### 4.2 Authorized unissued capital

#### 4.2.1 Authorized capital for equity-based compensation

Schaffner Holding AG at 30 September 2022 did not have unissued authorized capital designated for use in equity compensation plans (such capital is referred to in German as “bedingtes Kapital”).

#### 4.2.2 Other authorized capital

Schaffner Holding AG at 30 September 2022 did not have other unissued authorized capital (i.e., authorized capital for purposes other than equity-based compensation; such other capital is known in German as “genehmigtes Kapital”).

### 4.3 Changes in equity in the last three fiscal years

For fiscal year 2018/19, the Annual General Meeting on 14 January 2020 passed a resolution to distribute a dividend of CHF 2.50 per share as well as a repayment (exempt from withholding tax) of excess share premium of CHF 2.50 per share. For fiscal year 2019/20, the AGM on 12 January 2021 passed a resolution to distribute a dividend of CHF 1.00 per share as well as a repayment (exempt from withholding tax) of excess share premium of CHF 1.00 per share. For fiscal year 2020/21, the AGM on 11 January 2022 passed a resolution to distribute a dividend of CHF 4.50 per share as well as a repayment (exempt from withholding tax) of excess share premium of CHF 4.50 per share.

The changes in share capital, in share premium, in retained earnings and in the other components of consolidated equity are presented in detail in the consolidated financial statements, on page 65 of this annual report 2021/22. The comparative information on changes in equity for the three prior years is found on page 62 of the consolidated financial statements in the annual report 2020/21, on page 63 of the annual report 2019/20 and page 58 of the annual report 2018/19. The past annual reports are available on the website of the Schaffner Group at:  
[www.schaffner.com/investors/reports-and-presentations/archiv](http://www.schaffner.com/investors/reports-and-presentations/archiv)

## 4.4 Shares and participation certificates

### 4.4.1 Shares

The 635,940 issued shares of Schaffner Holding AG have a nominal value of CHF 32.50 per share. Each share carries one vote and is entitled to dividends.

Subject to provisions (i), (ii) and (iii) below, the shares are issued in uncertificated form and maintained as book-entry securities.

Transfers of or dispositions regarding book-entry securities, including the granting of interests therein as collateral, are subject to the Swiss Federal Act on Book-Entry Securities. If uncertificated shares are transferred by assignment, the transfer is valid only if notified to the Company.

(i) Shares maintained as book-entry securities may be withdrawn from the custody system by the Company.

(ii) Shareholders are not entitled to printing and delivery of certificates (physical securities) or to conversion of registered shares issued in one form into another form. The Company may, however, at any time print and deliver certificates (single share certificates, collective certificates or global certificates) or convert uncertificated or certificated shares into another form, and may cancel issued certificates that are returned to the Company. Shareholders that are registered in the share register may at any time request a certification of ownership of their shares from the Company.

(iii) By amending the Articles of Association, the General Meeting of shareholders may at any time convert registered shares into bearer shares, or bearer shares into registered shares.

### 4.4.2 Participation certificates

There were no participation certificates of Schaffner Holding AG at 30 September 2022 (participation certificates, or "Partizipationsscheine" in German, essentially are a type of preference share).

## 4.5 Dividend right certificates

Schaffner Holding AG had not issued any dividend right certificates as of 30 September 2022 (dividend right certificates, or "Genussscheine" in German, essentially are preference shares for related parties).

## 4.6 Restrictions on transferability and nominee registration

Registered shares of Schaffner Holding AG may be acquired by all legal or natural persons. The purchase of Schaffner shares is subject to registration restrictions concerning the recognition and registration of share purchasers, and of nominees, as voting shareholders. These restrictions are specified in detail in the Share Registration Regulation of Schaffner Holding AG. The Share Registration Regulation was issued by the Board of Directors in reliance on sections 685a and 685d et seq. of the Swiss Code of Obligations and article 6 of the Articles of Association, and is available under the "Annual General Meeting" tab on the Schaffner Group website at:

[www.schaffner.com/investors/annual-general-meeting](http://www.schaffner.com/investors/annual-general-meeting)

#### 4.6.1 Recognition of share purchasers as voting shareholders

Shareholders or beneficial owners are deemed to be those persons registered in the Company's share register. In accordance with article 6 para. 3 of the Articles of Association of Schaffner Holding AG, purchasers of shares are upon their request recorded as voting shareholders in the share register by the Board of Directors if the purchasers expressly state that they have acquired and will hold the shares for their own account. Recognition as a shareholder with voting rights thus requires that the shareholder in question bears the economic risk incident to ownership of the shares to be registered. In reliance on article 6 para. 3 of the Articles of Association and the recognition requirements derived from it, applicants (purchasers holding legal title to the shares) are thus not recognized as voting shareholders if they have acquired, and are holding, the shares as a result of a securities lending transaction or similar transaction that gives them legal ownership without the associated economic risk.

#### 4.6.2 Registration of share purchasers

For each registration in the share register as a voting shareholder, a personally signed registration application or a registration authorization must be on file at the respective SIX SIS AG custodian bank, containing the complete following information:

- For individuals: Last name, first name, nationality, and address
- For legal entities: Entity name, registered office, and address

Every registration in the share register requires evidence of the acquisition of full legal title to the shares or evidence of the establishment of beneficial ownership, and always requires an express declaration that the shares were acquired and are held by the applicant in the applicant's own name and for the applicant's own account.

In the case of registration applications by shareholders holding the shares for their own account where the applicant has reported holding 3% or more of the voting rights of Schaffner Holding AG, the registration is not performed until the Company has received a complete disclosure notification by the applicant pursuant to section 120 of the Financial Market Infrastructure Act (also referred to in German as FinfraG). If the disclosure notification meets the legal requirements (i.e., contains the legally required information about the beneficial owner), the applicant (i.e., the acquired stock) is registered in the share register as having voting rights. If the disclosure notification is not made within the 20-day deadline specified in section 685g of the Swiss Code of Obligations, or is incomplete, the application for registration with voting rights is denied and the shareholder (i.e., the acquired stock) is registered in the share register as non-voting.

#### 4.6.3 Registration of nominees

Persons who do not expressly declare in their registration application that they hold the shares for their own account are classified as nominees. In accordance with article 6 para. 4 of the Articles of Association, by default, any single nominee is registered in the share register as holding voting shares only up to a maximum of 5% of the Company's share capital recorded in the Swiss commercial register of companies. Above this limit of 5%, the Board of Directors registers shares of nominees in the share register as voting shares only if:

- (i) the nominee discloses the names, addresses and holdings of Company shares of the persons for whose account the nominee holds 0.5% or more of the share capital registered in the commercial register, and

(ii) an agreement exists between the nominee and the Company which specifies the nominee's position and the details of the nominee's notification obligations.

The registrar (the company retained to operate the share register) is responsible for sending the nominee agreement to the respective nominee and collecting the information to be disclosed. If complete disclosure is not made by the 20-day deadline specified in section 685g of the Swiss Code of Obligations, or if no nominee agreement is concluded between the Company and the nominee within this period, the nominee is registered in the share register as non-voting in respect of these shares. To the extent permitted by law, the Board of Directors is authorized to enter into agreements with nominees regarding reporting obligations. On a case-by-case basis, the Board may approve exceptions to the nominee rules.

Where legal entities or groups with joint legal status are related to one another by capital, voting rights, management or in some other manner, they are deemed collectively to constitute a single purchaser. This also applies to all natural persons, legal entities or groups with joint legal status that by agreement, as a syndicate or in any other way act in a coordinated manner with a view to circumventing the nominee rules. The Company may void registrations in the share register with retroactive effect from the date of registration if they were based on false information given by the purchaser. The purchaser must be informed of the deletion immediately.

Registered non-voting shareholders and registered non-voting nominees cannot exercise the voting rights associated with the shares nor exercise other rights related to the voting rights. However, they are not restricted in exercising any of their other shareholder rights, including pre-emptive rights. At the General Meeting the shares registered as non-voting are treated as unrepresented (see section 685 f (2) and (3) of the Swiss Code of Obligations).

The registration restrictions described above also apply to shares bought or subscribed through the exercise of pre-emptive rights, options or conversion rights.

At the 30 September 2022 year-end, 12.5% (prior year: 14.9%) of all issued shares were unregistered or were registered as non-voting shares.

## **4.7 Convertible bonds and options**

### **4.7.1 Convertible bonds**

There are no outstanding convertible bonds of Schaffner Holding AG.

### **4.7.2 Share option plans**

At 30 September 2022, Schaffner Holding AG did not have a share option plan.

## 5 Board of Directors

### 5.1 Members of the Board

The Articles of Association require the Board of Directors of Schaffner Holding AG to have between three and seven members.

On 30 September 2022, the Board of Directors consisted of four, non-executive members. In the three years prior to the reporting period (fiscal years 2018/19, 2019/20 and 2020/21), none of these Board members were members of Schaffner's Executive Committee or of the management of a subsidiary, and none had or have material business relationships with the Schaffner Group. The members of the Board of Schaffner Holding AG are thus independent within the meaning of the Swiss Code of Best Practice for Corporate Governance issued by Economiesuisse, the Swiss business federation.

At 30 September 2022, the Board of Directors of Schaffner Holding AG had the following members:

**Urs Kaufmann, Chairman, Swiss citizen, born 1962, member of the Board since 2017**

**Degree in Engineering, Federal Institute of Technology (ETH), Zurich;**

**Senior Executive Program, IMD, Lausanne**

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Since 2017 is Chairman of the Board of Directors of Huber+Suhner AG, Herisau, Switzerland. Became a Board member of Huber+Suhner AG in 2014 and, from 2014 to 2017, was the Designated Representative of its Board. From 2002 to 2017 was CEO of Huber+Suhner AG, having joined its Executive Committee in 2001. Previously held various management positions in the same group from 1994. From 1987 to 1993 worked as project manager, production manager and sales manager at Zellweger Uster AG in Switzerland and the USA.

**Philipp Buhofer, Vice Chairman, Swiss citizen, born 1959, member of the Board since 2017**

**Degree in Business Administration, Lucerne University of Applied Sciences (HWV), Horw, Switzerland**

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Since 1997 has been an independent entrepreneur and member of boards of directors. From 2002 to 2003 was Designated Representative and Chairman of the Board of Directors of EPA AG, Zurich, from 1997 to 2001 was a member of its Board of Directors, and from 1987 to 1997 was a member of its Executive Committee. From 1984 to 1987 was Manager of Purchasing and Marketing for Metro International, Baar (Switzerland), Düsseldorf and Hong Kong.

**Gerhard Pegam, Austrian citizen, born 1962, member of the Board since 2013**

**Electrical Engineer, Klagenfurt Technical College, Austria**

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From 2001 to beginning of 2012 was CEO of Epcos AG. From 2009 to 2012 was a member of the Board of Directors of Epcos parent company TDK-EPC Corp. From middle of 2011 to mid-2012 was a Corporate Officer of TDK Corporation, Japan, and from 2004 to 2012 was a member of the Board of ZVEI, the German Electrical and Electronic Manufacturers' Association. From 1999 to 2001 was COO of Epcos AG. Between 1982 and 1999 held various management positions at Epcos, Siemens and Philips.

**Andrea Tranel, Swiss and German citizen, born 1974, member of the Board since 2021**  
**Degree in economics, University of Hohenheim, Germany**

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From 2023: CFO of the Competec Group. Previously was Chief Financial Officer of the electric power utility AEW Energie AG in the Swiss canton of Aargau, Head of Corporate Controlling and Deputy CFO of Swiss Federal Railways (SBB), and CFO of Schneider Electric in Switzerland.

The Secretary of the Board (since April 2019) is Christian Herren, CFO of the Schaffner Group. The Secretary is not a member of the Board.

## 5.2. External activities and interests

**Philipp Buhofer**

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Philipp Buhofer is Chairman of the Board of Cham Group AG, Cham, Switzerland; member of the Board of Kardex AG, Zurich; Chairman of the Board of DAX Holding AG, Cham; and Designated Representative of the Board of BURU Holding AG, Cham.

**Urs Kaufmann**

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Urs Kaufmann is Chairman of the Board of Huber + Suhner AG, Herisau, a member of the Board of SFS Group AG, Heerbrugg, of Vetropack Holding AG, Bülach, and of Müller Martini Holding AG, Hergiswil (all in Switzerland) and a member of the executive committees of Swissmem and the Swiss Employers Confederation.

**Gerhard Pegam**

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Gerhard Pegam is Vice Chairman of the Board of OC Oerlikon Corporation AG, Pfäffikon, Switzerland.

**Andrea Tranel**

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Andrea Tranel is Chairwoman of the Board of Windpark Lindenberg AG, Beinwil (located in Aargau's Freiamt region) until the end of 2022, and member of the Board of InnovAARE AG, Villigen, and of Wärmeverbund Rheinfelden AG, Rheinfelden (all in Switzerland).

## 5.3 Restrictions on positions outside the Group

Outside the Schaffner Group, a member of the Board of Directors may hold a maximum of five positions as a member of the highest-level governing or administrative body of listed companies and a maximum of five positions as a member of such a body in non-listed legal entities within the meaning of section 12 para. 1 (1) OAEC.

For the purpose of this provision, positions (including employment positions) at companies controlled by the Company or positions/employment which the respective member of the Schaffner Board of Directors assumes in the capacity of member of the Schaffner Board (e.g., at joint ventures or pension funds of the Schaffner Group or at companies in which the Company holds a significant non-consolidated interest) are not deemed to be positions/employment outside the Schaffner Group.

The following are counted as a single position for the purpose of this provision: positions/employment at mutually related companies outside the Schaffner Group, dual roles, and positions which are assumed in the capacity of a member of the top governing or administrative body or executive management of a legal entity outside the Schaffner Group (e.g., positions at joint ventures or pension funds of that legal entity or at companies in which that legal entity holds a significant non-consolidated interest).

#### **5.4 Board elections and terms**

The members of the Board of Schaffner Holding AG are annually elected individually by the General Meeting. Board members may be re-elected for consecutive terms. Board members must be shareholders of the Company and be less than 70 years of age on the day of their election or re-election.

The General Meeting annually elects the Chair of the Board of Directors and, individually, each member of the Nomination and Compensation Committee (who must be members of the Board), and the independent proxy. Their term of office ends at the conclusion of the next Annual General Meeting.

#### **5.5 Internal organization**

Except for the election of the Board Chair and the members of the Nomination and Compensation Committee by the General Meeting, the Board of Directors constitutes itself in its first meeting of each term, in accordance with article 15 of the Articles of Association. The Board may appoint a Vice Chair from among its members, who assumes the Chair's responsibilities when the latter is unavailable. The Board designates its Secretary, who need not be a member of the Board.

##### **5.5.1 Division of responsibilities within the Board**

Urs Kaufmann has been the Chairman of the Board of Directors, and Philipp Buhofer has been the Vice Chairman, since the 2017 Annual General Meeting. Urs Kaufmann also chairs the Nomination and Compensation Committee. The Risk and Audit Committee is chaired by Andrea Tranel. The Board has no other standing committees or designated positions.

##### **5.5.2 Composition, purpose and responsibilities of Board committees**

The Board of Directors of Schaffner Holding AG maintains the Board committees detailed below. Their principal purpose is to provide decision support to the Board in special subject areas. The Board's duties and powers always remain with the full Board.

The Board committees are made up solely of non-executive members of the Board. The committees brief the Board on their conclusions and proposals at the ordinary Board meetings. However, in urgent matters they inform the Chair of the Board or the Chief Executive Officer even outside scheduled meetings. Outside the ordinary Board meetings, the Board committee members also work directly with members of the Executive Committee (which is the Group's top echelon of operational management and is not a Board committee). New committees may be formed at any time as required.

The term of office of committee members normally coincides with their term as Board members.

#### 5.5.2.1 Nomination and Compensation Committee

The Nomination and Compensation Committee has the following general responsibilities:

- Establishment and periodic review of the Schaffner Group's compensation policy and principles, performance criteria and performance targets, periodic review of the implementation of the foregoing items, and submission of proposals and recommendations to the Board of Directors
- Preparation of all relevant decisions of the Board of Directors with respect to compensation of the members of the Board of Directors and the Executive Committee, submission of proposals to the Board regarding the nature and amount of the annual compensation of the members of the Board of Directors and Executive Committee, and preparation of the proposal to the General Meeting for the respective maximum aggregate amount
- Submission of proposals to the Board for the list of potential recipients of performance-related compensation and for setting the annual performance targets for this compensation
- Development of equity incentive plans, and submission of proposals to the Board with respect to the selection of plan participants and the granting of shares, the issue price and vesting or holding periods under equity incentive plans
- Decision-making or decision support in accordance with legal requirements or provisions of the Articles of Association
- Staff promotions to the Executive Committee
- New hiring or dismissal of Executive Committee members; in the case of new hiring, members of the Nomination and Compensation Committee participate in the evaluation of prospective staff

The Board of Directors may assign further duties to the Nomination and Compensation Committee in the areas of compensation, human resources and related matters. The Board sets out the organization, procedures and reporting modalities of the Nomination and Compensation Committee in the Organizational Regulations (a document known in German as "Organisationsreglement" that specifies the Company's governance structure and policies).

#### Membership of the Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of two or more Board members elected to the committee by the General Meeting. The Board of Directors elects the chair of the committee.

Members at 30 September 2022	Since AGM
Urs Kaufmann, committee chairman	2017
Philipp Buhofer	2018

The Nomination and Compensation Committee convenes as often as business requires, and at least twice per year. The committee may invite other Board members, Executive Committee members and specialists to its meetings as required. Generally the meetings are attended by the Chief Executive Officer and Chief Financial Officer as well as the Head of Corporate Human Resources. The Head of Corporate HR is not a member of the Executive Committee. Additional persons may be asked to attend, at the discretion of the committee chair.

However, the other members of the Board of Directors and the members of the Executive Committee do not attend the meetings (or the parts of meetings) in which their own compensation is discussed.

### 5.5.2.2 Risk and Audit Committee

The Risk and Audit Committee acts solely in an advisory capacity. It assists the Executive Committee in handling financial matters and risk management. At the same time, on behalf of the Board of Directors, the Risk and Audit Committee monitors performance especially in the following areas of responsibility of the Executive Committee:

- Appropriateness and validity of the Group's accounting
- Consolidated annual financial statements
- Analysis of the various risks to which the Schaffner Group is exposed
- Organization and processes of the system of internal control
- Organization and processes of risk management
- Tax planning
- Financial part of the rolling forecast
- Other major responsibilities of the finance department

The Risk and Audit Committee, on behalf of the Board, receives the audit reports of the external independent auditors on the company financial statements and consolidated financial statements and presents the reports to the Board for review and comment. The committee regularly briefs the Board on the results of its verification activities and submits the necessary proposals for courses of action to the Board Chair for consideration by the Board.

### Membership of the Risk and Audit Committee

The Risk and Audit Committee consists of two or more Board members elected to the committee by the General Meeting. The Board of Directors elects the chair of the committee. The majority of the committee's members, and especially its chair, should have experience in finance and accounting and be independent.

Members at 30 September 2022	Since AGM
Andrea Tranel, committee chairwoman	2021
Philipp Buhofer	2017
Gerhard Pegam	2013

The Risk and Audit Committee meets as often as business requires, and generally at least twice per year. Every member may request a meeting. The Chair of the Board, the Chief Executive Officer and the Chief Financial Officer usually attend the meetings. At the discretion of the committee chair, additional persons may be asked to attend, particularly representatives of the auditors.

### 5.5.3 Procedures of the Board and of its committees

Meetings of the Board of Directors are called by the Chair or Vice Chair or, if both are unavailable, by another Board member. The Board convenes as often as business requires or when a Board member requests it, but not less than once per quarter. Board meetings are normally called in writing, stating the agenda items. The agenda is set by the Chair, who also includes items proposed by the Executive Committee. Board meetings are called at least ten days before the meeting date. In urgent matters, the requirement for written notice and/or for ten days' notice can be waived, in which case this must be noted in the minutes of the meeting.

The Board of Directors has a quorum when the majority of its members are in attendance for oral discussions and votes. Members may also be present by telephone or via electronic media (for example, videoconferencing). Resolutions are passed by a simple majority of votes. In the event of an equality of votes, the chair of the meeting has a second or casting vote. For the purpose of resolutions concerning capital increases, the Board has a quorum irrespective of the number of members present. Unless a member requests an oral discussion, the Board may also vote on its resolutions by written ballot (submitted by mail or e-mail). In such a "postal" vote (also known as a written resolution), passage of a resolution requires the affirmative vote of the majority of all Board members. Postal votes and their outcome must be recorded in the minutes of the next meeting.

The Chair of the Board (or if unavailable, his deputy) prepares and chairs the meetings of the Board. The Chair is responsible for the proper calling and conducting of the meetings and for the timely and appropriate briefing of the Board members.

In the reporting period the Board met eight times. The following overview shows the individual Board members' attendance at Board and Board committee meetings:

#### Attendance at meetings

	BD <sup>1</sup>	RAC <sup>1</sup>	NCC <sup>1</sup>
<b>Total number of meetings held</b>	8	2	2
Urs Kaufmann, Chairman	8	2 <sup>2</sup>	2
Philipp Buhofer, Vice Chairman	8	2	2
Gerhard Pegam	8	2	–
Andrea Tranel	8	2	–
Meeting length (minutes)	15–450	61–112	90–120
Average length (minutes)	172	86	105

<sup>1</sup> BD: Board of Directors; RAC: Risk and Audit Committee; NCC: Nomination and Compensation Committee.

<sup>2</sup> Urs Kaufmann attends the RAC meetings as an advisory member.

The Chief Executive Officer and Chief Financial Officer attend the ordinary meetings of the Board. For the discussion of specific matters, the Board calls on members of the Executive Committee, other management staff or external advisors to attend its meetings as required. In the year under review, no external advisors were called to any significant extent.

## 5.6 Division of authority

The Board of Directors of Schaffner Holding AG is responsible for determining Group strategy. It reviews the Group's overarching plans and objectives and identifies internal and external risks and opportunities. Decisions on matters within the Board's non-delegable and inalienable responsibilities defined in article 18 of the Articles of Association and section 716a of the Swiss Code of Obligations are reserved for the Board.

Schaffner Holding AG is the holding company for the Schaffner Group. As a consequence, the Board of Directors has the following responsibilities in particular:

- Overall management of the Schaffner Group
- Setting and approving the strategy and business planning of the Schaffner Group and supervising their implementation
- Ensuring the efficiency (as necessary for implementation assurance) of accounting, financial controls, risk management and reporting
- Appointment and removal of the Executive Committee and authorized signatories
- Regular review of business activities
- Approval of the decisions of the Executive Committee on the filing, defending or handling of lawsuits, administrative or arbitration proceedings, and on the settlement of litigation where the amount in dispute exceeds CHF 1,000 thousand
- Decisions on matters not reserved for or transferred to another body by law, by the Articles of Association or by the Organizational Regulations
- Formulation and preparation of resolutions for consideration by the General Meeting
- Presentation to the General Meeting of nominations for the election of the Chair and Vice Chair of the Board, the election of the members and chair of the Nomination and Compensation Committee, and the election of the independent proxy and the external auditors
- Proposal to the General Meeting regarding the approval of compensation, that is, the respective maximum aggregate compensation of the whole Board of Directors for the term from the Annual General Meeting to the next AGM and of the whole Executive Committee for the fiscal year next following the AGM, in accordance with articles 24 and 25 of the Articles of Association
- Setting the compensation of the individual Board members and Executive Committee members within the respective approved maximum aggregate amount
- Approval of compensation of new Executive Committee members for a fiscal year for which the General Meeting has already approved the compensation or the maximum aggregate amount of compensation, in reliance on and within the limits of article 26 of the Articles of Association ("additional amount")
- Decisions on fixed compensation of the Board of Directors and Executive Committee, variable cash compensation and other compensation of the Executive Committee, and awards of shares of Schaffner Holding AG to the individual members of the Board and of the Executive Committee, subject to the provisions of the law, the Articles of Association and applicable regulations, and except inasmuch as decisions are reserved for the General Meeting
- Approval for Executive Committee members to accept additional positions within the meaning of article 23 of the Articles of Association

- Decisions on the founding of subsidiaries, corporate mergers, and acquisition of business interests or their sale, their pledging as collateral or their liquidation
- Decisions on the Company's entry into fundamentally new business activities, and material changes to the existing portfolio of businesses
- Decisions on the acquisition, mortgaging and sale of real estate
- Decisions on the establishment and closing of branch offices
- Approval of the decisions of the Executive Committee in all matters outside the scope of day-to-day business (those matters not covered by the Authorization Policy) that could give rise to one-time obligations or commitments of more than CHF 500 thousand or to recurring obligations or commitments in an annual amount of more than CHF 250 thousand

To the extent consistent with the applicable legal provisions and the Articles of Association, the Board of Directors has delegated the operational management of the Schaffner Group to the Executive Committee, led by the Chief Executive Officer (CEO). The CEO is responsible for the overall operational management of the Company. He has responsibility for the long-term success of the Group in line with the strategy set by the Board of Directors. The Chief Financial Officer has responsibility for financial, tax and capital management. He is also responsible for the transparency of the financial results and for ensuring high-quality, timely financial reporting.

## 5.7 Monitoring and control in respect of the Executive Committee

### Board of Directors

The Executive Committee provides the Board with a monthly written report on the Group's financial results. The reporting consists of the consolidated balance sheet, income statement, statement of changes in equity, a statement of changes in provisions, the cash flow statement, and commentary on the business performance of the Group and the divisions. The Board of Directors regularly discusses the monthly reports at its meetings. The Chief Executive Officer and Chief Financial Officer attend the meetings. The Executive Committee carries out a risk assessment at least once per year and reports on the findings to the Board of Directors. In this assessment the general risks are analyzed and rated. Monitoring-and-control points and processes are defined based on the risk assessment and are implemented by the respective process owners. The Board of Directors monitors the assessment of the Group's risks and verifies the implementation of risk management.

At its meeting on 28 April 2022 the Board of Directors, as part of ongoing risk management, assessed the business risks of the Schaffner Group and adopted the risk report and the measures set out in it. The focus was on pandemic risks, cybersecurity, warranty risks, the dependence on the global economic situation, and currency risks.

Other tools for the monitoring and control of the Executive Committee are the following:

- Periodic communication of the Executive Committee's forecasts for revenue and for the key earnings and financial position data
- Rolling forecast
- Annual strategic analytical reviews of the Group and the divisions
- A multi-year plan regularly updated by the Executive Committee
- Special reports by the Executive Committee on significant investments, acquisitions and partnerships

The CEO keeps the Board informed of all significant events. He promptly informs the Chair of the Board of any exceptional developments.

Even outside the Board meetings, beyond the monthly reporting by the Executive Committee, every member of the Board may request further information from individual members of the Executive Committee on the business performance and other important matters.

#### **Chair of the Board**

The Board Chair regularly meets with the Chief Executive Officer and Chief Financial Officer to discuss current business performance and activities.

#### **Committees**

Outside the ordinary Board meetings, the Board committee members also work directly with members of the Executive Committee (which is the Group's top level of operational management and is not a Board committee).

#### **Internal audit**

In view of the size of the company, the Schaffner Group elects not to maintain a dedicated internal audit function. Instead, focused internal special audits are conducted by units of the Schaffner Group, with the participation of external consultants when required. The results of these special audits are reported to the chair of the Risk and Audit Committee.

## 6 Executive Committee

The responsibilities and powers of the Executive Committee are specified in the Organizational Regulations. Its main responsibilities are:

- Operational management
- Optimization of internal organization and processes
- External representation of the Schaffner Group
- Internal and external communication

Under the Articles of Association, the employment agreements of Executive Committee members must either have a fixed term of not more than one year, or be of indefinite duration with a notice period of not more than twelve months.

At 30 September 2022, the Schaffner Executive Committee had three members, who held the positions described below.

### Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for the overall operational management of the Company. He has responsibility for the long-term success of the Group in line with the strategy set by the Board of Directors. The CEO is responsible in particular for:

- Ensuring the implementation of the Board's decisions
- Representing Schaffner Holding AG to the public and in important associations, institutions, etc.
- Proposals to the Board of Directors, especially regarding strategy and financial targets, as well as regarding all business that requires Board approval under the Articles of Association, the Authorization Policy or the Organizational Regulations
- Proposals to the Nomination and Compensation Committee for the nomination and removal of members of the Executive Committee
- Proposals to the Nomination and Compensation Committee for the fixed compensation, variable cash compensation, other compensation, and awards of shares of Schaffner Holding AG, for the individual members of the Executive Committee
- Linking Group strategy and operational management by performing the following duties:
  - Formulation of Group strategy and Group policy, for presentation to and approval by the Board of Directors
  - Ensuring the achievement of the strategic direction set by the Board
  - Leadership of the Group's operational management, including balancing short-term targets with the needs of Group strategy
- Preparation of the Group's financial plans, particularly the annual targets and medium-term planning, with accountability for the overall financial performance against the targets set by the Board of Directors

- Leadership of the Executive Committee and the other positions reporting to the CEO
- Management development for the Company and preparation of performance appraisals of the Executive Committee members for the attention of the Nomination and Compensation Committee
- Ensuring the Group's adherence to internal policy and regulations and the Code of Conduct, and safeguarding compliance with the Articles of Association and applicable legal requirements
- Communication between the Executive Committee and Board of Directors to ensure early and exact briefing of the Board

### Chief Financial Officer

The Chief Financial Officer (CFO) devises the framework for all strategic and operational controllership activities, ensures the Group's secure financing, optimizes its financing structure, and supports the Chief Executive Officer and the other Executive Committee members in all financial matters.

### Executive Vice President

The Executive Vice President (EVP) is accountable for achieving the objectives within his area of responsibility. These include, in particular, achieving a leading market position for the division (i.e., operating segment) under his management, as well as continuous innovation to support lasting competitiveness.

## 6.1 Responsibilities and members of the Executive Committee

The Executive Committee is the Group's highest-ranking operational management body and supports the Chief Executive Officer in fulfilling his role of managing the Group's activities. The Executive Committee is responsible for implementing the Group's strategy within the parameters set by the Board of Directors:

- Active participation in the process of planning and implementing the Board-approved strategy
- Efficient and effective fulfillment of the Executive Committee's main duties, with close cooperation between its members
- Proposal and execution of strategic plans
- Management of the Group functions of the individual Executive Committee members
- All matters outside the scope of day-to-day business (those not covered by the Authorization Policy) that do not give rise to one-time obligations or commitments of more than CHF 500 thousand or to recurring obligations or commitments in an annual amount of more than CHF 250 thousand
- Keeping of the accounting records in accordance with the law, the specific provisions of the accounting standards adopted by Schaffner Holding AG, and the Listing Rules of the SIX Swiss Exchange
- Human resources policy, HR management and labor relations

The members of the Executive Committee are active participants in its consensus-oriented decision process. Decisions are made by consensus or, where no consensus can be reached, are made by the Chief Executive Officer with due regard to the views expressed by the Executive Committee members.

At 30 September 2022 the Executive Committee of the Schaffner Group had the following members:

**Marc Aeschlimann, CEO, Swiss citizen, born 1968**

**Degree in Electrical Engineering, Federal Institute of Technology (ETH), Zurich; MBA, Marshall Business School, University of Southern California**

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With the Schaffner Group since 1 September 2017 as CEO, and additionally Head of the Industrial division since 1 October 2021. Previously CEO of R&S Group, CEO of Pfiffner Messwandler, and CEO of Franke Coffee Systems after various management positions at the Franke Group, including five years in China as Head of Food Service Systems for the Asia, Pacific & Middle East region. Earlier worked as a consultant at Helbling Management Consulting.

**Christian Herren, CFO, Swiss citizen, born 1976**

**MA in Management, University of Fribourg, Switzerland**

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CFO of the Schaffner Group since 1 April 2019. Joined Schaffner in 2007; from June 2009 was Head of Corporate Finance & Accounting and deputy CFO, and from July 2016 to August 2017 served as interim CFO. Before joining Schaffner, was Corporate Financial Controller for Straumann Group and worked in financial auditing at KPMG.

**Martin Lütenecker, Executive VP, Swiss citizen, born 1969**

**Degree in Mechanical Engineering, Federal Institute of Technology (ETH), Lausanne; Marketing Director Diploma, Berne University**

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With the Schaffner Group since 1 November 2018 as Executive VP and Head of Automotive division. Previously held management positions in divisional management and market development at internationally operating companies in the automotive supplier industry, including as member of the Executive Board and Division Head at Sonceboz Automotive, member of the Executive Committee and of Automotive division management at Styner+Bienz Formtech, and member of the Executive Committee of JESA (all companies based in Switzerland).

## 6.2. External activities and interests

The members of the Executive Committee do not hold positions in governing or supervisory bodies of any significant organization, institution or foundation under private or public law. They have no permanent management or advisory positions in significant interest groups and hold no public or political office.

### 6.3 Restrictions on positions outside the Group

Outside the Schaffner Group, a member of the Executive Committee may hold a maximum of two positions on the highest-level governing or administrative body of listed companies and of non-listed legal entities within the meaning of section 12 para. 1 (1) OAEC; this limit is set out in section 2.4 para. 8 of the Organizational Regulations of Schaffner Holding AG.

For the purpose of this provision, positions (including employment positions) at companies controlled by the Company or positions/employment which the respective member assumes in the capacity of member of the Schaffner Executive Committee (e.g., at joint ventures or pension funds of the Schaffner Group or at companies in which the Company holds a significant non-consolidated interest) are not deemed to be positions/employment outside the Schaffner Group.

The following are counted as a single position for the purpose of this provision: positions/employment at mutually related companies outside the Schaffner Group, dual roles, and positions which are assumed in the capacity of a member of the top governing or administrative body or executive management of a legal entity outside the Schaffner Group (e.g., positions at joint ventures or pension funds of that legal entity or at companies in which that legal entity holds a significant non-consolidated interest).

Executive Committee members require the approval of the Board of Directors to accept positions/employment outside the Schaffner Group.

### 6.4 Management contracts

Schaffner Holding AG and its Group companies have no management contracts with third parties.

## 7 Compensation, share ownership and loans

Information on compensation, shareholdings and loans of the Board of Directors and Executive Committee is provided in the compensation report of the Schaffner Group on pages 51 to 59 of this annual report

## 8 Shareholders' participation rights

### 8.1 Voting rights restrictions and proxy voting

At 30 September 2022, there were 1,047 shareholders registered in the share register. Each share of Schaffner Holding AG, with the exception of any shares held by the Company (treasury shares), carries one vote at the General Meeting of shareholders. There are no restrictions on voting rights.

Every shareholder with voting rights may have his or her shares represented by the independent proxy or by a proxy that the shareholder has appointed. The proxy need not be a shareholder.

Representation of shareholders requires the presentation of a written proxy (a written power of attorney). Recognition of these proxies is a matter for the Board of Directors. Shareholders may also use electronic means to issue proxy mandates and directions to the independent proxy.

In the notice of the General Meeting, the Board of Directors announces the record date (at which registration in the share register is required for participation in and voting at the meeting), and the details of the written and electronic proxies and instructions.

The General Meeting annually elects an independent proxy, whose term of office ends at the conclusion of the next Annual General Meeting. Re-election for consecutive terms is permitted. Natural persons, legal entities and partnerships are all eligible for election. If the Company does not have an independent proxy, the Board of Directors appoints one for the next General Meeting.

### 8.2 Quorums under the Articles of Association

Except as otherwise required by law or the Articles of Association, the General Meeting passes its resolutions and decides its elections by an absolute majority of the votes cast, excluding abstentions and blank and invalid votes. If an election is not completed in the first round and there is more than one candidate, a second round of voting is held, which is decided by a relative majority. In the event of an equality of votes, the chair of the meeting has the casting vote. The Articles of Association of Schaffner Holding AG do not provide for quorums that go beyond the provisions of Swiss corporation law.

### 8.3 Calling of the General Meeting

The General Meeting is called by the Board of Directors no later than 20 days before the meeting date, by issuing a notice in the Company's official gazette for statutory notices. Notice of the meeting may additionally be sent by letter to all shareholders registered in the share register. In addition to the meeting date, hour and place, the notice must state the items of business to be discussed, the resolutions proposed by the Board of Directors and any proposed by shareholders that have requested a General Meeting or have put forward an item for discussion at the meeting.

Resolutions cannot be passed on matters that have not been announced in this manner, except for motions to call an Extraordinary General Meeting or to conduct a special audit.

Shareholders representing at least 10% of the share capital may submit a request – which is binding on the Company – to call an Extraordinary General Meeting. The request must be in writing and state the business to be discussed and the proposed resolutions.

#### **8.4 Placing business on the General Meeting agenda**

One or more shareholders who together represent at least 5% of the share capital, or shares with a nominal value of at least CHF 1,000,000, whichever is less, may by their written request have business placed on the agenda of a General Meeting. Such a written request must be received by the Company no later than 45 days before the General Meeting.

#### **8.5 Registration in the share register**

In accordance with article 6 para. 1 of the Articles of Association, Schaffner Holding AG maintains a share register. The Company may outsource the operation of the share register to a company specializing in such services (a registrar). At present the share register is operated by ShareCommService AG, based in Glattbrugg, Switzerland. The manager of the share register is the Schaffner Group's Chief Financial Officer (CFO). In matters concerning the share register, the CFO reports to the Chair of the Board. The Chair and the Chief Executive Officer receive regular reports on the shareholder structure (including share deregistrations above a certain size of shareholding). The Board of Directors annually receives a report on the shareholder structure.

The Share Registration Regulation of Schaffner Holding AG sets out the details of the rules governing registration in the share register, including particularly the related authority structure, the maintenance of the share register, and the monitoring of the shareholdings recorded in it. The Share Registration Regulation was issued by the Board of Directors in reliance on sections 685a and 685d et seq. of the Swiss Code of Obligations and article 6 of the Articles of Association. The Regulation can be viewed under the "Annual General Meeting" tab on the website at:

[www.schaffner.com/investors/annual-general-meeting](http://www.schaffner.com/investors/annual-general-meeting)

Further information regarding restrictions on transferability and nominee registrations is given from page 26 of this corporate governance report, in section 4.6.

Shares for which the requirements (as set out in the Share Registration Regulation or in any amendments thereto) for registration as a voting shareholder are not, or no longer, fulfilled are registered in the share register as non-voting shares.

These registration restrictions also apply to shares bought or subscribed through the exercise of options, pre-emptive rights or conversion rights.

The authority structure for the approval of shareholder registrations in the share register is as follows:

- Registration applications for up to 5,000 shares per transaction that clearly meet or clearly do not meet the requirements for registration as a voting shareholder or nominee: Approval by the registrar (the company commissioned to operate the share register)
- Applications for registration as a nominee: Approval by the registrar
- Registration applications for more than 5,000 shares per transaction, and all other transactions which do not clearly meet the requirements for registration as a voting shareholder or voting nominee, or in which there is uncertainty: Approval by the manager of the share register
- All registration applications of shareholders or groups of shareholders that hold the shares for their own account and have reported holding 3% or more of the voting rights of Schaffner Holding AG: Approval by the manager of the share register

Exceptional cases can at any time be referred for approval to the Chair or, if absent, to the Vice Chair of the Board.

The Board may, after hearing the affected party, void (delete) the party's registration in the share register as a voting shareholder, retroactively to the date of registration, if the registration was the result of false information supplied by the purchaser, and instead register the affected party as a non-voting shareholder. Registrations can also be deleted (or reclassified as non-voting) when a registered shareholder refuses to provide the requested information or fails, despite prior warning, to provide requested documentation (of beneficial ownership, etc.). The authority to decide on deleting or reclassifying the registration of a voting shareholder or nominee or on terminating the relationship with a nominee rests with the Chair of the Board of Directors. The purchaser must be informed of the deletion immediately.

Under article 13 para. 4 of the Articles of Association, in the notice of the General Meeting the Board of Directors announces the record date at which registration in the share register is required for participation in and voting at the meeting, and thereby indicates the length of the period for which the share register will be closed. The record date for registration is generally the fifth trading day before the day of the General Meeting. Accordingly, the closure of the share register is generally in effect from the fourth trading day before the day of the General Meeting until and including the day of the General Meeting.

Deletions from the share register can be made during the closure. Thus, despite the closure, a share seller is struck from the share register to the extent of the shares sold, if the sale is reported to the Company or to the manager of the share register during the closure. An admission ticket for the General Meeting already issued in the seller's name is automatically rendered void by the deletion from the share register. In the event of the partial sale of a shareholding, the delivered admission ticket must be exchanged at the registration desk on the day of the General Meeting. The invitation to the General Meeting shall note this requirement.

## 9 Change-of-control clauses and takeover defenses

### 9.1 Requirement to make a public tender offer

The Articles of Association of Schaffner Holding AG contain neither an opting-up nor an opting-out clause. Therefore, any person or entity acquiring one-third (33⅓%) or more of the voting rights of Schaffner Holding AG must, under section 135 para. 1 of the Financial Market Infrastructure Act, make a public tender offer for all remaining shares.

### 9.2 Clauses on changes of control

In either of the following two cases, the participants in the Long-Term Incentive Plan (LTIP) have the right to immediately sell any and all of their shares without regard to the holding periods:

- If any person or entity directly or indirectly acquires sufficient shares in the Company to become obligated under section 135 para. 1 Financial Market Infrastructure Act to make a tender offer for all other outstanding shares of the Company, or
- If Schaffner Holding AG sells all or a substantial portion of the Company's assets.

## 10 Auditors

### 10.1 Duration of audit firm's engagement and tenure of lead audit partner

#### 10.1.1 Starting date of current audit engagement

The external independent audit firm is elected annually by the General Meeting. Since fiscal year 2015/16, BDO AG, Solothurn, is the independent auditor of Schaffner Holding AG and, as the Group's audit firm, is responsible for the auditing of the Schaffner Group.

#### 10.1.2 Date of first appointment of lead audit partner

The lead audit partner at the external auditors (the person in charge of the audit engagement), Thomas Bigler, has held this position since fiscal year 2021/22. The lead audit partner's tenure is limited by law to seven years.

### 10.2 Audit fees

In fiscal year 2021/22, BDO AG billed the Schaffner Group a total of CHF 197 thousand for services in connection with the auditing of the company financial statements of Schaffner Holding AG and the consolidated financial statements of the Schaffner Group (prior year: CHF 227 thousand).

### 10.3 Additional fees

In addition, in the fiscal year, BDO AG invoiced the Schaffner Group CHF 0 thousand (prior year: CHF 0 thousand) for other services.

### 10.4 Informational instruments pertaining to external audits

The Risk and Audit Committee, on behalf of the Board of Directors, annually reviews the license, performance, fees and independence of the external auditors and recommends to the Board which external auditors to propose for election by the General Meeting. It also ensures compliance with the legal requirement for rotation of the lead audit partner. The external auditors in the course of their audit activities regularly communicate their findings to the Risk and Audit Committee, along with any suggestions for improvement. The external auditors report to the Board in a comprehensive management letter (prepared after the audit of the annual financial statements) and through the “reports of the statutory auditor” published in the annual report.

The Risk and Audit Committee meets with the external auditors at least two times per year, sets the scope and objectives of the audits, and annually assesses the work of the external audit firm through a performance evaluation process. This process takes into account the committee’s experience in working with the external audit firm and the audit firm’s own quality assurance measures in respect of the engagement. The Risk and Audit Committee obtains assurance that the lead audit partner has the necessary technical qualifications and fulfills the requirements as to independence. The Chief Executive Officer and Chief Financial Officer also attend these meetings. The Board is briefed by the Risk and Audit Committee.

In the 2021/22 financial year, the Risk and Audit Committee held two meetings with the external auditors.

## 11 Communication policy

Schaffner follows a policy of open and active communication. As a company listed on the SIX Swiss Exchange, Schaffner specifically communicates price-sensitive information (i.e., information with significant relevance for the share price) through so-called “ad hoc announcements” in accordance with sections 53 and 54 of the Listing Rules. The Schaffner Group’s financial reporting is in accordance with Swiss GAAP FER accounting standards. Where the Schaffner Group makes forward-looking statements, these statements are always based on management’s judgment, at the time of the statement, regarding the current and future position and performance of the company. It is not the policy of Schaffner Holding AG to update previously published information.

The Schaffner Group reports on its financial and business performance on a half-yearly basis, in the form of an interim report and an annual report which are published electronically on Schaffner’s website.

The investor relations activities of the Schaffner Group include the following events (among others), conducted in compliance with the ad-hoc-disclosure requirements of the SIX Swiss Exchange:

- Annual General Meeting
- Annual presentation of the full-year results
- Conference calls (e.g., at publication of the half-year results)
- Meetings with shareholders, investors and analysts
- Roadshows

Media releases are available on the website of the Schaffner Group for at least three years after publication and can be accessed via the following link:

[www.schaffner.com/adhoc-news](http://www.schaffner.com/adhoc-news)

Annual and half-year-reports, corporate governance reports and compensation reports are available for at least five years on the website of the Schaffner Group at:

[www.schaffner.com/investors/reports-and-presentations/archiv](http://www.schaffner.com/investors/reports-and-presentations/archiv)

Shareholders can subscribe to receive emails with Schaffner Holding AG’s press releases and/or its ad-hoc announcements under section 53 of the Listing Rules. Registration for this free service is offered on the website of the Schaffner Group at:

[www.schaffner.com/investors/investors-feed](http://www.schaffner.com/investors/investors-feed)

Responsibility for the corporate communications of the Schaffner Group rests with the Chief Executive Officer. He is supported in investor relations by the Chief Financial Officer.

The Company’s official gazette for the publication of statutory and regulatory news is the Swiss Official Gazette of Commerce, or SOGC.

A key source of current, in-depth information on the Group, its products and contact details is the Schaffner Group’s website:

[www.schaffner.com](http://www.schaffner.com)

## Investor relations contacts

Investor relations and media office:  
c/o Dynamics Group, Zurich  
investor-relations@schaffner.com

Thomas Balmer	Edwin van der Geest
+41 79 703 87 28	+41 79 330 55 22

## Financial calendar

<b>10 January 2023</b>	27th Annual General Meeting
<b>4 May 2023</b>	Publication of half-year report 2022/23
<b>6 December 2023</b>	Publication of annual report 2022/23
<b>9 January 2024</b>	28th Annual General Meeting

The fiscal year-end of Schaffner Holding AG is 30 September.

## 12 Blackout periods for trading

### 12.1 General blackout periods

At Schaffner Holding AG, the regular blackout period<sup>1</sup> begins at the day of the last regular Board meeting of the preceding fiscal year or preceding first half of the fiscal year, as the case may be, and ends one trading day after the publication of the relevant ad-hoc announcement related to the respective annual report or half-year report.

The regular blackout period applies to the following Affected Persons:

- Members of Schaffner's Board of Directors
- Members of Schaffner's Executive Committee and its assistants
- Managing directors of all Group companies
- Local controllers at all Group companies
- Employees in Group finance & controlling
- Employees in accounting at all Swiss Group companies
- Employees of the SAP competence center

<sup>1</sup> A blackout period for trading is a period when certain persons are prohibited from buying or selling equity securities of their company.

- Employees of corporate communications
- Members of all levels of management of the Swiss Group companies
- Employees of the Schaffner Group who participate in projects that involve price-sensitive information
- External consultants

The CFO maintains an e-mail distribution list of all Affected Persons.

## 12.2 Special blackout periods

At any time, additional blackout periods may be imposed during which persons subject to such a special blackout period are not permitted to trade in Schaffner shares (regardless of whether such person is in possession of inside information).

The decision on the commencement and termination of special blackout periods is made by the CEO or CFO. This decision may be made at any time, as circumstances require. The persons subject to a special blackout period must be informed of the decision promptly by the CEO or CFO. The CFO keeps a list of the persons to whom a special blackout period applies.

## 12.3 Effects of blackout periods

During a regular blackout period, Affected Persons, and during a special blackout period, all persons subject to the special blackout period, are prohibited from trading in Schaffner shares for their own account or for the account of any person related to them (e.g., their spouse, persons living in the same household, relatives, etc.), or for the account of any investment fund or similar investment vehicle in which they have a personal financial interest or of which they are a director or manager. This applies regardless of whether they possess inside information. In addition, Affected Persons and all other persons subject to a special blackout period or in possession of inside information may not exercise any options to purchase Schaffner shares during the blackout period.

Affected Persons and persons subject to a special blackout period must treat the inside information as strictly confidential and may not disclose it to third parties.

The CEO, the CFO and those responsible for investor relations are obligated not to speak with the financial community, the media or analysts during the blackout periods, in order to avoid transmitting price-sensitive information until such information is published by the Company in accordance with the applicable laws and regulations and the Listing Rules of the SIX Swiss Exchange.

## 12.4 Pre-clearance procedure

In order to prevent inadvertent violations and to avoid even the appearance of an improper transaction, all transactions of Affected Persons in shares (even if they occur outside a blackout period and the Affected Person does not possess inside information) must be pre-approved in writing (by e-mail) by the CEO or by the CFO as his deputy in this matter.

# Compensation report 2021/22

# Compensation report

## 1 Introduction

This compensation report of Schaffner Holding AG provides an overview of the remuneration principles and compensation system of the Schaffner Group. It describes how the compensation of the members of the Board of Directors and Executive Committee is determined, and gives information on the specific compensation provided to them. It fulfills the requirements of the Ordinance Against Excessive Compensation at Listed Companies (OAEC) in force since January 2014, and thus complies with the Swiss Code of Obligations. The compensation report is based on the Directive on Information Relating to Corporate Governance (The Corporate Governance Directive) issued by the SIX Swiss Exchange and on the Articles of Association of Schaffner Holding AG. It also takes into account the recommendations of the Swiss Code of Best Practice for Corporate Governance issued by Economiesuisse, the Swiss business federation.

In the Articles of Association of Schaffner Holding AG, the complete provisions concerning the various aspects of compensation are found in the following articles: the compensation principles, in article 24; the approval of compensation by the Annual General Meeting, in article 25; the available additional amount for compensation of the Executive Committee where a previously approved aggregate maximum amount is not sufficient, in article 26; the rules regarding the principles of performance-related compensation, in article 28; the granting of shares, in article 29; and the granting of loans, other credit and pension benefits, in article 30. Article 19 sets out the responsibilities of the Nomination and Compensation Committee. In the Organizational Regulations of Schaffner Holding AG (a document known in German as "Organisationsreglement" that sets out the Company's governance structure and policies), the corresponding provisions are covered in section 2.4, Responsibilities of the Board of Directors. The Articles of Association and the Organizational Regulations are available in the Corporate Governance section of the website of Schaffner Holding AG at: [www.schaffner.com/investors/corporate-governance](http://www.schaffner.com/investors/corporate-governance)

## 2 Guiding principles

The success of the Schaffner Group is driven in large measure by the quality, entrepreneurship and commitment of its people. The compensation policy aims to attract qualified managers and staff, align their activities with the long-term corporate goals and the interests of shareholders, and ensure the competitive attractiveness of a career in the Schaffner Group. The compensation policy of the Schaffner Group is guided by the following criteria; it should:

- Be performance-based and market-competitive, with fixed and variable compensation elements
- Use targets that are clearly defined and measurable
- Promote the Group's financial and business success
- Ensure fairness and transparency in decisions on compensation
- Achieve a balance between short- and long-term compensation, with defined upper and lower limits

### 3 Responsibility and procedures for determining compensation

The Board of Directors has ultimate responsibility for the structuring and allocation of compensation. The compensation models used for the Board and the Executive Committee are set out in a compensation policy approved by the Board. The Board of Directors is supported in its work by the Nomination and Compensation Committee (NCC). The NCC reviews the compensation principles and prepares all relevant decisions on the compensation of the Board and the Executive Committee.

From among the Board members, the General Meeting annually elects at least two members to the Nomination and Compensation Committee. The composition, responsibilities and operation of the NCC are described in the corporate governance report 2021/22 of Schaffner Holding AG in section 5.5.2.1 from page 32.

The Board of Directors annually submits a proposal to the Annual General Meeting for the approval of a maximum aggregate amount of compensation for the Board of Directors for the period until the next AGM, and for the Executive Committee for the fiscal year next following the AGM (the Group's fiscal year runs from 1 October to 30 September).

Each year at the AGM, binding votes are held on the maximum aggregate amounts. If the AGM declines to approve the maximum aggregate amount for the Executive Committee and/or the Board of Directors, the Board may convene a new General Meeting.

#### Compensation and approval mechanism



## 4 Compensation system for the Board of Directors

### 4.1 Non-executive members of the Board

The compensation of the Board of Directors is set annually subject to the maximum aggregate amount approved by the AGM. The compensation is paid partly in cash and partly in the form of a fixed number of shares of Schaffner Holding AG. The Schaffner shares represent compensation designed to further the long-term performance of the Schaffner Group; they have a holding period (a mandatory-retention period) of at least three years during which they cannot be sold. The proportion of total compensation paid in the form of Schaffner shares is regularly reviewed by the NCC. Proposals for changes are submitted to the Board of Directors.

The compensation of the members of the Board is governed by article 24 para. 1 of the Articles of Association and has the following components:

#### a) Fixed cash compensation

Each member of the Board receives a fixed annual base compensation in cash (in fiscal year 2021/22: Chairman, CHF 170 thousand; other members, CHF 47 thousand). In addition, Board members receive a flat fee for their work on the Board committees (2021/22: committee chair, CHF 5 thousand; other committee members, CHF 3 thousand). This flat committee fee is paid only once per person, even if the recipient sits on several committees; the fee is included within the item "fixed cash compensation".

#### b) Long-term compensation in shares of the Company

The Board members each also receive long-term compensation in the form of a fixed number of shares of the Company, with a holding period of at least three years.

#### 4.1.1 Additional information

The compensation of the Board members is reviewed annually and, subject to shareholder approval at the Annual General Meeting, is set prospectively by the full Board of Directors for the term of office beginning immediately after the AGM and ending at the conclusion of the next AGM. Reimbursement of expenses is not considered compensation.

The amount of the compensation for the individual Board members is set on a discretionary basis, taking into consideration the amount of responsibility assigned, the complexity of the duties involved, the required professional and personal qualifications and the expected demands on the Board member's time. The determination of compensation also takes into account an external benchmark in the form of a defined peer group of Swiss manufacturing companies. The composition of the peer group is described in the section on the compensation system for the Executive Committee.

No pension benefits or significant benefits in kind are provided to members of the Board of Directors.

Loans and other credit granted by the Company to a member of the Board of Directors, or guarantees or other security provided by the Company for obligations of a Board member, must not exceed CHF 50 thousand.

The holding period for shares already awarded continues in the event of departure from the Board of Directors.

## 4.2 Executive members of the Board

The Board of Directors of Schaffner Holding AG has only non-executive members.

## 5 Compensation system for the Executive Committee

The total compensation for a given member of the Executive Committee is determined by the Board of Directors by taking into consideration the following factors:

- External benchmark data from a defined peer group
- Ensuring equal treatment within the Company
- Amount of responsibility assigned, job qualifications, complexity of duties, and level of target achievement

The peer group used as a benchmark for comparison is selected from Swiss-based, internationally operating manufacturing companies in the Swiss Performance Index (SPI). The selection criteria are comparable annual sales, number of employees, industry (within the manufacturing sector), and similar complexity of structures (divisional structure, diversified product portfolio, international activities, etc.). The peer group includes the following companies among others: Adval Tech Holding AG, Carlo Gavazzi Holding AG, Kardex AG and Tornos Holding AG.

When required, in order to help determine Executive Committee compensation, the Board uses international compensation analyses for relevant management positions prepared by a consulting firm specializing in salary benchmarking. The consulting firm involved has no other role with the Schaffner Group.

The compensation of the members of the Executive Committee is governed by article 24 para. 2 of the Articles of Association and has the following components:

### a) Fixed cash compensation

The members of the Executive Committee receive a fixed base salary, which is paid monthly. The amount is determined by the Board individually for each member and on a discretionary basis, taking into account the individual's role and amount of responsibility.

### b) Variable cash compensation

The variable cash compensation is performance-based. It is tied to the achievement of corporate financial targets and personal targets.

The corporate financial targets are set annually in advance for a one-year performance period. In fiscal year 2021/22 these target metrics were Group net sales, Group EBIT and Group free cash flow for all members of the Executive Committee, and division sales and division EBIT for the head of the Automotive division. In the prior fiscal year 2020/21, the target metrics were Group net sales and EBIT, division sales and EBIT, and free cash flow.

The personal annual targets are set individually for each member of the Executive Committee before the start of the assessment period. They relate to current projects, the agreed strategic goals, and longer-term company performance and development.

Target achievement is evaluated by the Board after the end of the fiscal year. The target amount is contractually set and cannot exceed 50% of fixed compensation. The variable cash compensation can increase up to a maximum of 150% of the target amount if all targets are significantly surpassed, and can fall to 0% of the target amount if the targets are not achieved.

The weighting of the criteria used in determining the variable compensation is as follows:

	CEO/CFO	Head of AM division
<b>Financial targets</b>	<b>60%</b>	<b>70%</b>
– Group net sales	20%	15%
– Divisional net sales		15%
– Group EBIT	25%	15%
– Divisional EBIT		15%
– Group free cash flow	15%	10%
<b>Personal targets</b>	<b>40%</b>	<b>30%</b>

### c) Long-term compensation in shares of the Company

As long-term compensation, the members of Schaffner's Executive Committee are annually awarded a variable number of shares of Schaffner Holding AG. The Schaffner shares represent compensation designed to further the long-term performance of the Schaffner Group; they have a holding period of at least three years, during which they cannot be sold. They are awarded (granted) according to the following principles.

#### Long-Term Incentive Plan (LTIP), in effect since fiscal year 2018/19

The Board of Directors sets a target number of shares for each member of the Executive Committee. Once the annual financial statements are available, the Board, based on an assessment of the Group's financial situation, outlook, market environment, progress in strategy execution, and the personal performance of the respective member of the Executive Committee, determines an individual target-achievement factor that can range from 0.5 to 1.5. The effective number of shares to be granted is calculated by multiplying the target number of shares by this individual achievement factor. The shares carry voting and dividend rights from the date of the award (the grant date) and are subject to a holding period of at least three years. The LTIP involves a vesting period of one year; the expense is therefore recognized over this entire vesting period.

#### **d) Pension and other compensation**

Pension benefits of Executive Committee members accrue only under pension plans and similar plans of the Company or its Group companies. The benefits of the plan participants and the employer contributions follow from the features of the pension plans or from the respective sets of regulations. Depending on their specific position and country of residence, members of the Executive Committee are in some cases provided with a company car. As well, additional compensation may be paid in connection with postings to other countries (i.e., for expatriates). In the disclosures below, the value of any company car privileges and out-of-country allowances is reported under "other compensation".

### **5.1 Additional information**

When new members join the Executive Committee, they are compensated in this capacity from the month in which they take up the position. When a member leaves the Executive Committee, compensation is paid until the date of departure. The variable cash compensation and the share award may be reduced or canceled by the Board of Directors. The holding period for shares already awarded continues in the event of departure from the Executive Committee.

The compensation of the Executive Committee is reviewed annually by the Board of Directors. Every year, the Board proposes to shareholders at the Annual General Meeting the maximum aggregate compensation of the Executive Committee for the next fiscal year after the date of the AGM (the year beginning on the following 1 October).

### **5.2 Additional amount for members of the Executive Committee**

If new members are appointed to the Executive Committee, or existing members are promoted within it, who assume their new position after the AGM has already approved the maximum aggregate amount of compensation for the Executive Committee for the respective fiscal year, then these new or promoted members may, for the period to the next AGM, be paid, in the case of a new CEO, up to 25% more than the amount which had been allocated to the previous CEO out of the maximum aggregate compensation last approved by the AGM for the whole Executive Committee, and in the case of a non-CEO member of the Executive Committee, be paid up to 25% more than the average total compensation per non-CEO member had been as per said last-approved maximum aggregate amount. The additional amount for members of the Executive Committee is governed by article 26 of the Articles of Association.

### **5.3 Employment contracts**

The members of the Executive Committee are generally employed under permanent contracts; all permanent contracts have notice periods of at most six months. Executive Committee members are not entitled to contractual advance compensation or to severance pay.

## 6 Compensation of the members of the Board of Directors and Executive Committee for fiscal year 2021/22

### 6.1 Compensation of the members of the Board of Directors for 2021/22

In the fiscal year under review, the members of the Board received aggregate fixed compensation of CHF 327 thousand (prior year: CHF 331 thousand). In addition, aggregate share-based compensation of CHF 156 thousand was granted (prior year: CHF 157 thousand). This amount is based on the market value of a total of 525 shares under the LTIP (prior year: 533 shares) with a share price of CHF 295.00 on 28 November 2022, recognized in fiscal 2021/22 (prior year: CHF 294.00 on 30 November 2021).

The aggregate total compensation of the Board of Directors in the fiscal year under review was CHF 515 thousand (prior year: CHF 515 thousand). As the share ownership plan (the LTIP) is associated with a vesting period, the shares granted under it are recognized in the year of vesting, using accrual accounting.

#### Compensation of the members of the Board of Directors

	Fixed cash compensation in CHF '000		Share-based compensation <sup>1</sup> in CHF '000		Social contributions <sup>2</sup> in CHF '000		Total compensation in CHF '000		Number of shares granted	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Urs Kaufmann, Board Chairman <sup>3</sup>	175	175	66	66	17	16	259	257	225	225
Philipp Buhofer, Board Vice Chairman <sup>4,5</sup>	50	50	30	29			79	79	100	100
Gerhard Pegam, Board member <sup>5</sup>	50	50	30	29	6	5	86	85	100	100
Andrea Tranel (from January 2021) <sup>6</sup>	52	39	30	22	6	3	88	64	100	75
Georg Wechsler (until January 2021) <sup>7</sup>		17		10		3		30		33
<b>Total</b>	<b>327</b>	<b>331</b>	<b>156</b>	<b>157</b>	<b>29</b>	<b>27</b>	<b>512</b>	<b>515</b>	<b>525</b>	<b>533</b>

<sup>1</sup> Measured, in fiscal 2021/22, at the closing share price of CHF 295.00 at the date of determination of the number of shares granted, at the Board meeting of 28 November 2022 (prior year: CHF 294.00 on 30 November 2021).

<sup>2</sup> Social contributions include the employer's social security contributions. Employees' contributions are stated in the other compensation items.

<sup>3</sup> Chairman of the Nomination and Compensation Committee (NCC).

<sup>4</sup> Member of the NCC.

<sup>5</sup> Member of the Risk and Audit Committee (RAC).

<sup>6</sup> Chairwoman of the RAC from January 2021.

<sup>7</sup> Chairman of the RAC until January 2021.

No loans or other credit were granted to current members of the Board of Directors.

The shareholdings of the Board members of Schaffner Holding AG are disclosed on page 102 in the 2021/22 financial report.

### Compensation of the members of the Executive Committee for 2021|22

For the fiscal year under review, the aggregate fixed compensation of the members of the Executive Committee was CHF 911 thousand (prior year: CHF 1,381 thousand). Their aggregate variable compensation for fiscal 2021/22 was CHF 336 thousand (prior year: CHF 817 thousand). This included equity compensation based on the market value of a total of 575 shares under the LTIP (prior year: 844 shares) at a share price of CHF 295.00 on 28 November 2022 (prior year: CHF 294.00 on 30 November 2021).

The aggregate total compensation of the Executive Committee for fiscal year 2021/22 was CHF 1,527 thousand (prior year: CHF 2,581 thousand). As the share ownership plan (the LTIP) is associated with a vesting period, the shares granted under it are recognized in the year of vesting, using accrual accounting.

### Compensation of the Executive Committee

In CHF '000, except share count	Highest individual compensation <sup>1</sup>		Total compensation of Executive Committee <sup>2</sup>	
	2021/22	2020/21	2021/22	2020/21
Fixed cash compensation	425	425	911	1,381
Variable cash compensation <sup>3</sup>	95	222	166	569
Share-based compensation – LTIP <sup>4</sup>	111	110	170	248
Pension contributions	122	109	254	350
Other compensation	9	7	27	33
<b>Total compensation</b>	<b>762</b>	<b>873</b>	<b>1,527</b>	<b>2,581</b>
<b>Number of shares granted – LTIP</b>	<b>375</b>	<b>375</b>	<b>575</b>	<b>844</b>

<sup>1</sup> Marc Aeschlimann, Chief Executive Officer.

<sup>2</sup> At the beginning of fiscal year 2021/22, the size of the Executive Committee was reduced to three members (prior year: reduction from five members to four in the course of the fiscal year).

<sup>3</sup> All variable cash compensation is presented on an accrual basis; in other words, any variable cash compensation shown for a given fiscal year was earned in that year. In the annual financial statements, the variable cash compensation is recognized in the fiscal year in which it is earned, relying on the information available at the balance sheet date.

<sup>4</sup> Measured, in fiscal 2021/22, at the closing share price of CHF 295.00 at the date of determination of the number of shares granted, at the Board meeting of 28 November 2022 (prior year: CHF 294.00 on 30 November 2021).

No loans or other credit of significant value were granted to current members of the Executive Committee.

The shareholdings of the members of the Executive Committee of Schaffner Holding AG are disclosed on page 102 in the financial report 2021/22.

## 6.2 Management transactions

Schaffner Holding AG reports to the SIX Swiss Exchange the transactions in Schaffner shares and options concluded by members of the Board of Directors and of the Executive Committee or by parties related to them, including the names and positions of the persons concerned. Current information on management transactions is available on the website of the SIX Swiss Exchange at:

[www.ser-ag.com/de/resources/notifications-market-participants/management-transactions.html?#/](http://www.ser-ag.com/de/resources/notifications-market-participants/management-transactions.html?#/)

## 7 Benefits to former members of management

In the fiscal year under review, no compensation of any kind was paid to former members of the Board of Directors or Executive Committee in connection with their former positions. Furthermore, no security was provided on behalf of, and no loans, advances or other forms of credit were granted to, former members of the Board of Directors or Executive Committee or parties related to them. As well, no such commitments or receivables were outstanding at the end of the fiscal year.

## 8 Related parties

In the year under review, no fees or other compensation for services rendered to the Schaffner Group or to any of its subsidiaries were paid to parties related to members of the Board or of the Executive Committee.

# Report of the statutory auditor on the compensation report



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## REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Schaffner Holding AG, Luterbach

We have audited the remuneration report dated 5 December 2022 of Schaffner Holding AG for the year ended 30 September 2022. The audit was limited to the information according to articles 14 - 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) in sections 6 to 8 of the remuneration report.

### Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 - 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 - 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the remuneration report dated 5 December 2022 of Schaffner Holding AG for the year ended 30 September 2022 complies with Swiss law and articles 14 - 16 of the Ordinance.

Solothurn, 5 December 2022

BDO Ltd

Thomas Bigler  
Auditor in Charge  
Licensed Audit Expert

Bianca Knödler  
Licensed Audit Expert

# **Financial report 2021/22**

# Consolidated balance sheet

In CHF '000	Note	30.09.2022	30.09.2021
Intangible assets	3	912	1,363
Property, plant and equipment	4	25,004	25,594
Other non-current financial assets		904	1,032
Deferred tax assets	15	6,154	6,467
<b>Total non-current assets</b>		<b>32,974</b>	<b>34,456</b>
Prepaid expenses and deferred income		1,166	1,143
Inventories	5	38,202	29,578
Other current financial assets		526	1,476
Other receivables		2,294	3,650
Trade receivables	6	30,703	25,621
Cash and cash equivalents		14,960	24,026
<b>Total current assets</b>		<b>87,851</b>	<b>85,494</b>
<b>Total assets</b>		<b>120,825</b>	<b>119,950</b>
Exchange differences		-26,165	-21,718
Retained earnings		50,059	40,159
Treasury shares		-1,388	-1,221
Share premium		26,680	29,685
Share capital		20,668	20,668
<b>Total shareholders' equity</b>		<b>69,854</b>	<b>67,573</b>
Deferred tax liabilities	15	283	251
Non-current provisions	7	3,987	4,157
Non-current borrowings	8	284	12,105
<b>Total non-current liabilities</b>		<b>4,554</b>	<b>16,513</b>
Accrued expenses	15	8,693	11,749
Current provisions	7	589	942
Other payables		3,079	2,743
Trade payables		23,328	19,936
Current borrowings	8	10,583	233
Derivatives	9	145	261
<b>Total current liabilities</b>		<b>46,417</b>	<b>35,864</b>
<b>Total liabilities</b>		<b>50,971</b>	<b>52,377</b>
<b>Total liabilities and shareholders' equity</b>		<b>120,825</b>	<b>119,950</b>

# Consolidated income statement

(year ended 30 September)

In CHF '000	Note	2021/22	2020/21
<b>Net sales of goods and services</b>	<b>16</b>	<b>158,185</b>	<b>172,479</b>
Cost of sales		-107,815	-116,910
<b>Gross profit</b>		<b>50,370</b>	<b>55,569</b>
Marketing and selling expense		-13,584	-15,013
Research and development expense		-12,445	-15,260
General and administrative expense		-8,942	-8,966
Other operating expense <sup>1</sup>	1	0	-13,008
<b>Operating profit (EBIT)</b>		<b>15,399</b>	<b>3,322</b>
Net finance expense	14	-1,231	-1,420
<b>Profit before tax (EBT)</b>		<b>14,168</b>	<b>1,901</b>
Income tax	15	-1,550	-4,195
<b>Net profit/(-loss) for the period</b>		<b>12,618</b>	<b>-2,295</b>
<b>Earnings/(-loss) per share in CHF</b>	<b>18</b>		
Basic		19.99	-3.63
Diluted		19.99	-3.63

<sup>1</sup> In prior year: loss on divestiture of Power Magnetics division after goodwill recycling under Swiss GAAP FER 30.17.

# Consolidated cash flow statement

(year ended 30 September)

In CHF '000	Note	2021/22	2020/21
Net profit/(–loss) for the period		12,618	–2,295
Depreciation and impairment of property, plant and equipment	4	4,852	5,502
Amortization and impairment of intangible assets	3	467	365
Result on divestiture of Power Magnetics division	1	0	13,008
Result on disposal of property, plant and equipment and intangible assets		356	41
Change in provisions	7	–120	282
Change in deferred tax	15	119	1,975
Change in trade receivables		–7,014	3,056
Change in inventories		–11,352	–7,291
Change in other receivables, prepaid expenses and deferred income		1,138	–2,646
Change in trade payables		4,647	7,725
Change in other current payables and accrued expenses		–2,514	1,328
Expense for share-based payments to staff		443	261
Exchange differences on intra-Group items		598	–497
Other non-cash (–income)/expense		–643	80
<b>Cash flow from operating activities</b>		<b>3,595</b>	<b>20,894</b>
Purchase of property, plant and equipment	4	–5,749	–5,073
Disposal of property, plant and equipment		6	215
Purchase of intangible assets	3	–22	–756
Cash flow from divestiture of Power Magnetics division	1	0	18,303
Change in current financial assets		916	698
Change in loan receivables and non-current financial assets		20	–26
<b>Cash flow from investing activities</b>		<b>–4,829</b>	<b>13,362</b>
Purchase of treasury shares	19	–642	–1,027
Dividend payment		–2,845	–633
Repayment of excess share premium		–2,845	–633
Repayment of borrowings		–647	–22,253
Amortization in connection with finance leases		–218	–223
<b>Cash flow from financing activities</b>		<b>–7,197</b>	<b>–24,769</b>
Effect of exchange rates on cash and cash equivalents		–635	320
<b>Change in cash and cash equivalents</b>		<b>–9,066</b>	<b>9,807</b>
Cash and cash equivalents at 1 October		24,026	14,219
Cash and cash equivalents at 30 September		14,960	24,026
<b>Free cash flow</b>		<b>–2,170</b>	<b>15,280</b>
Included in cash flow from operating activities:			
Interest paid		–154	–607
Interest received		31	54
Income tax paid		–1,799	–1,216

<sup>1</sup> Cash flow from operating activities less net investment in property, plant and equipment and in intangible assets.

# Consolidated statement of changes in equity

	Share capital	Share premium	Cumulative exchange differences	Retained earnings	Treasury shares	Total shareholders' equity
<b>In CHF '000</b>						
<b>At 1 October 2020</b>	<b>20,668</b>	<b>30,380</b>	<b>-21,769</b>	<b>28,280</b>	<b>-608</b>	<b>56,951</b>
Net loss for the period				-2,295		-2,295
Exchange differences			51			51
Goodwill recycling				14,898		14,898
Treasury share transactions		-62		-352	-613	-1,028
Repayment of excess share premium <sup>1</sup>		-633				-633
Dividend payment <sup>2</sup>				-633		-633
Share-based incentive plans				261		261
<b>At 30 September 2021</b>	<b>20,668</b>	<b>29,685</b>	<b>-21,718</b>	<b>40,159</b>	<b>-1,221</b>	<b>67,573</b>
Net profit for the period				12,618		12,618
Exchange differences			-4,447			-4,447
Treasury share transactions		-160		-316	-167	-643
Repayment of excess share premium <sup>3</sup>		-2,845				-2,845
Dividend payment <sup>4</sup>				-2,845		-2,845
Share-based incentive plans				443		443
<b>At 30 September 2022</b>	<b>20,668</b>	<b>26,680</b>	<b>-26,165</b>	<b>50,059</b>	<b>-1,388</b>	<b>69,854</b>

<sup>1,2</sup> CHF 1.00 per share.

<sup>3,4</sup> CHF 9.00 per share.

## Share capital

The issued share capital of Schaffner Holding AG consists of 635,940 ordinary registered shares with a nominal value of CHF 32.50 per share. The issued shares are fully paid. Each share carries one vote at the General Meeting. All shares not held by the Company or by one of its subsidiaries are entitled to dividends.

The Group's legally required retained earnings and share premium totaled CHF 22.2 million at the balance sheet date (prior year: CHF 25.2 million). These reside in the holding company, Schaffner Holding AG.

# Notes to the consolidated financial statements

## Accounting policies

### Basis of preparation

The consolidated financial statements comprise the individual financial statements of Schaffner Holding AG (the “Company”) and its subsidiaries (together, “Schaffner”, the “Group” or the “Schaffner Group”) at and for the year ended 30 September 2022, drawn up in accordance with the uniform accounting policies of the Group.

The consolidated financial statements comply with Swiss law and have been prepared in accordance with all existing guidelines of the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER). Measurement is based on historical cost or on fair value. The measurement principles for the individual balance sheet items are given in the accounting policies described below. The presentation currency of the consolidated financial statements is the Swiss franc.

With the aim of maximum transparency for readers of the financial statements, the Schaffner Group has decided to provide, in some areas, disclosures additional to those required by Swiss GAAP FER. In this way, Swiss GAAP FER serve as the foundation for the most transparent, easily understood and reader-friendly reporting possible.

The consolidated financial statements are prepared in German and translated into English. The English version is provided solely for readers’ convenience. Only the German version is definitive and legally binding.

### Changes in accounting policies

In the year under review there were no changes in the guidelines of the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER).

### Assumptions and estimates

The consolidated financial statements of the Schaffner Group contain assumptions and estimates which affect the reported financial position, results of operations and cash flows. These assumptions and estimates were made on the basis of management’s best knowledge at the time of preparation of the accounts. Actual results may differ from the values presented.

### Methods of consolidation

The consolidated financial statements comprise the financial statements of Schaffner Holding AG and of its subsidiaries. Schaffner Holding AG and the subsidiaries are included by full consolidation. Under this method, these companies’ assets, liabilities, income and expenses are fully included in the consolidated financial statements.

A subsidiary is a company over which Schaffner Holding AG directly or indirectly exercises control.

All intra-Group balances, income and expenses are eliminated on consolidation (both among the subsidiaries, and between them and Schaffner Holding AG). This also includes intra-Group profits on inventories and on non-current assets.

Companies acquired during the reporting period are included in the consolidated financial statements from the effective date of their acquisition. Companies divested during the reporting period remain included in the consolidated financial statements until the Group ceases to have control.

### **Translation of subsidiaries' functional currencies into the Group's presentation currency**

All assets and liabilities in the balance sheets of foreign subsidiaries drawn up in foreign currencies are translated into Swiss francs (CHF) at period-end exchange rates (i.e., at closing rates for the reporting period). Expenses, income and cash flows are translated into Swiss francs at weighted average exchange rates for the reporting period, which approximate the actual transaction rates. Foreign exchange differences arising from the variation in applicable exchange rates are recognized directly in equity. The accumulated exchange differences recognized in equity from the translation of the financial statements of a foreign company remain in equity if the company is sold.

### **Foreign currency transactions**

Foreign currency transactions of subsidiaries are translated into the functional currency of the subsidiary at exchange rates prevailing at the transaction date (i.e., at transaction rates). Their foreign currency balances are translated at period-end exchange rates. Gains and losses arising from the recovery, settlement or translation of foreign currency monetary assets and liabilities are recognized as income or expense in the income statement.

### **Intangible assets**

Intangible assets are stated at historical cost less amortization and impairment. Amortization is applied on a straight-line basis over the assets' estimated useful life, which ranges from three to eight years.

#### **a) Acquisitions and goodwill**

Companies are consolidated from the date when control is acquired. Business combinations are accounted for using the acquisition method. The cost of an acquisition is calculated as the total consideration transferred, measured at fair value at the acquisition date.

Any contingent consideration payable is recognized at the acquisition date at fair value. Subsequent changes in the fair value of contingent consideration are recognized in the income statement.

The difference between the purchase price and the remeasured net assets of the acquired company is referred to as goodwill. Any potential intangible assets obtained through an acquisition which were not previously recognized by the acquired company, such as trademarks, usage rights and customer lists, are not recognized separately but remain part of goodwill. Goodwill arising from acquisitions is offset against consolidated equity at the acquisition date. On disposal of part of a business, goodwill previously offset against equity must be transferred to the income statement.

**b) Internally generated intangible assets**

Research and development costs for new products are fully recognized in the item “research and development expense” in the income statement.

Development costs for software are capitalized as intangible assets, provided that the software will generate a future economic benefit through sale or internal use and that the cost can be reliably estimated. Additional conditions that must be met for capitalization are the technical feasibility of the asset, the intention and ability to complete its development, and the availability of sufficient resources for the purpose.

**Property, plant and equipment**

Items of property, plant and equipment are stated at historical cost less depreciation and impairment. Depreciation is charged on a straight-line basis or – in the case of automated production lines in the Automotive division – using the unit of production method. Straight-line depreciation is applied based on the estimated useful life of the asset, as follows:

Land	Not depreciated
Buildings	10–50 years
Leasehold improvements	5–10 years
Machinery and equipment	5–10 years
Furniture and fixtures	5–10 years
Vehicles	3–5 years
IT hardware	3–5 years
Tools	1–5 years

Leases under which a Group company as lessee has substantially all the benefits and risks of ownership are classified as finance leases. The leased asset is capitalized at the lower of its fair value or the present value of the minimum lease payments, and a liability of the same amount is recognized in borrowings. The interest portion (the finance charge) of the lease payments is charged to the income statement. Payments made under operating leases are recognized as an expense in the income statement in equal installments over the life of the lease.

**Impairment of non-financial assets**

The recoverable amount of an asset is estimated whenever there is an indication of impairment. If the asset’s carrying amount exceeds the recoverable amount, the difference is recorded as an impairment charge in the income statement. The recoverable amount is the higher of an asset’s net selling price and its value in use. An asset’s value in use is the present value of the estimated future cash flows from the asset.

### **Inventories**

Products purchased for resale, and raw materials, are measured at the cost of purchase. Rebates received are deducted from purchase cost. Internally produced goods are measured at the cost of conversion, including an appropriate share of production overhead. Inventories in the balance sheet, and the charge to the income statement for the conversion cost of goods sold (cost of sales), are measured using the standard cost method. The standard costs are regularly reviewed and, when necessary, brought into line with current circumstances. Slow-moving inventories and those with a lower market value are written down. Unsaleable inventory is fully written off. Inventory is thus not measured at more than its net realizable value.

### **Trade receivables**

The carrying amount (also known as carrying value) of trade receivables is their nominal value less a provision for doubtful debts, i.e., for impairment. Such write-downs are based on uniform rules under which impairment charges are provided individually for specific doubtful arrears. For those trade receivables on which impairment is not individually recognized, impairment is assessed collectively based on prior experience and the length of time overdue.

### **Securities held as current assets**

Securities classified as current assets are measured at fair value, with unrealized gains and losses recognized in the income statement in finance income and expense. Where no fair value is known, they are measured at not more than cost less any impairment. Treasury shares are presented as a deduction from shareholders' equity.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, bank deposits in postal and other bank accounts, bank drafts and short-term time deposits with residual maturities of up to 90 days.

### **Provisions**

Provisions are recognized when Schaffner has an obligation to a third party as a result of a past event, the amount of the obligation can be estimated reliably and it is probable that an outflow of resources will be required to settle the obligation. If the outflow of resources is not probable or its amount cannot be determined, the obligation is reported in contingent liabilities. The amount of the provision is based on a best estimate of the amount required to settle the obligation.

Where the effect of the time value of money is material, provisions are measured at the present value of the expected future expenditures.

Restructuring provisions are recognized if the costs attributable to a restructuring plan both can be determined reliably and represent a contractual obligation or a constructive obligation created by communication.

### **Revenue recognition**

Net sales represent the revenue from goods sold and services rendered to third parties, net of discounts and other price reductions. Sales are recognized at the time that the benefits and risks of ownership of the products sold are transferred to the customer or the service is rendered; this timing depends on the agreed shipment terms (Incoterms).

Revenue is recognized if an economic benefit is likely to accrue to the Group and the amount of revenue can be reliably determined.

The sources of the Schaffner Group's revenue are detailed in note 16.

### **Pension obligations**

The Schaffner Group operates a number of pension plans in various countries worldwide. The pension plans are generally financed by contributions from employees and the respective Group companies.

The economic effects arising from the pension plans are assessed annually. Any plan surpluses or deficits are determined using the annual financial statements of the respective pension arrangements, which are based on Swiss GAAP FER 26 in the case of the Swiss plans, or on methods recognized in the respective other countries in the case of foreign plans. An economic benefit is recognized as an asset if the use of the plan surplus toward the future pension costs of the Schaffner Group is permitted and intended. Where there are freely disposable employer contribution reserves, these are also capitalized. An economic obligation is recognized as a liability if the requirements for raising a provision are met. Changes in the economic benefit or obligation are taken to the income statement and recognized in staff costs, as are the contributions payable for the reporting period.

### **Derivative financial instruments**

For the hedging of exchange rate risks, the Schaffner Group may use futures contracts, currency swaps and other hedging instruments. Derivatives used to hedge changes in the value of an underlying transaction already recognized in the balance sheet are accounted for using the same measurement principles as those applied to the hedged underlying transaction.

Derivatives are derecognized as soon as the end of their term is reached (or an option is exercised early) or as soon as all further claim to future payments is eliminated by the derivatives' sale or by counterparty default.

### **Segment reporting**

The Schaffner Group is organized into the two divisions: Industrial and Automotive. This delineation of segments (i.e., divisions) is consistent with the internal reporting on the basis of which the chief decision maker responsible allocates resources to these segments and evaluates their profitability.

The Schaffner Group has identified its Executive Committee as this chief decision maker.

For competition reasons, Schaffner does not publish divisional earnings.

### **Income tax**

Accrued expenses for current income tax are recognized in the period in which the profits arise, on the basis of the reported profits. Tax is calculated in conformity with the tax laws applicable in the individual countries.

Deferred tax is recognized using the liability method. Under this approach, the income tax effects of temporary differences between carrying amounts in the financial statements and their tax bases used in the calculation of taxable income are reported under non-current liabilities or non-current assets, using the tax rates that are expected to apply to the period in which an asset is recovered or a liability settled. The change in deferred tax is recognized in the income statement. Deferred tax liabilities are calculated on all taxable temporary differences.

Deferred tax assets, including assets for unused tax loss carry-forwards, are only recognized to the extent it is probable that future taxable profits will be available that will allow the assets to be utilized. The determination of the amount of deferred tax assets to be recognized involves assumptions and estimates by management as to the likely timing and amounts of future taxable profits.

### **Borrowings**

Borrowings are recognized at their nominal amounts. Transaction costs incurred are recognized immediately in the income statement. Borrowings are classified as current liabilities unless the Group has the unconditional right to postpone the settlement of the debt until at least twelve months after the balance sheet date.

### **Share-based payments**

Schaffner maintains a Long-Term Incentive Plan (LTIP), which has been in place since 1 October 2018. The fair value of the shares of Schaffner Holding AG granted under the LTIP is measured at the quoted market price at the beginning of the vesting period (which starts at 1 October of the respective year), less a discount to compensate for the restricted nature of the shares during the three-year holding period.

In setting the target number of shares, it is assumed that the target number will be multiplied by a target achievement factor of 1.

## 1 Changes in the basis of consolidation in the prior year

### Sale of the Power Magnetics division

At 30 June 2021 the Schaffner Group divested the Power Magnetics division to the AQ group, based in Sweden. In fiscal year 2020/21, the Power Magnetics division had contributed CHF 25.2 million to the Group's net sales, along with a divisional operating loss of CHF 0.2 million.

The Power Magnetics division's net assets recognized at the disposal date of 30 June 2021 and acquired by the buyer were as follows:

### Net assets of the Power Magnetics division

In CHF '000	30.06.2021
Total non-current assets	5,780
Total current assets	18,576
<b>Total assets</b>	<b>24,356</b>
Total non-current liabilities	201
Total current liabilities	5,259
<b>Total liabilities</b>	<b>5,460</b>
<b>Total net assets</b>	<b>18,896</b>

### Calculation of loss on divestiture of Power Magnetics division

In CHF '000	
Sale price	22,488
Transaction costs	-1,702
Net assets of Power Magnetics	-18,896
<b>Gain on divestiture before goodwill recycling</b>	<b>1,890</b>
Recycling of goodwill recognized in equity	-14,898
<b>Loss on divestiture of Power Magnetics, after goodwill recycling</b>	<b>-13,008</b>

## 2 Foreign currencies

In the consolidation of Group companies' separate financial statements, the following exchange rates were applied in translating foreign-currency-denominated accounts into Swiss francs:

Country or region	Currency	Balance sheet		Income statement	
		30.09.2022 in CHF	30.09.2021 in CHF	2021/22 in CHF	2020/21 in CHF
China	CNY 100	13.78	14.48	14.37	14.02
EU	EUR 100	95.60	108.29	101.63	108.78
UK	GBP 100	108.31	125.82	119.86	124.85
India	INR 100	1.21	1.26	1.23	1.24
Japan	JPY 100	0.68	0.84	0.7557	0.84
Sweden	SEK 100	8.77	10.65	9.74	10.70
Singapore	SGD 100	68.30	68.74	68.69	67.97
Thailand	THB 100	2.59	2.76	2.74	2.91
Taiwan	TWD 100	3.07	3.36	3.26	3.25
USA	USD 100	98.09	93.55	94.38	91.05

### 3 Intangible assets

In CHF '000	Technology and rights	Software	Intangible assets under construction	Total
<b>Cost at 1 October 2020</b>	<b>433</b>	<b>10,149</b>	<b>405</b>	<b>10,987</b>
Additions		638	118	756
Change in scope of consolidation	-385	-166		-550
Disposals		-51		-51
Reclassifications		477	-477	0
Exchange differences		17		17
<b>Cost at 30 September 2021</b>	<b>48</b>	<b>11,065</b>	<b>46</b>	<b>11,159</b>
Additions		30		30
Disposals		-658		-658
Reclassifications		46	-46	0
Exchange differences		-46		-46
<b>Cost at 30 September 2022</b>	<b>48</b>	<b>10,437</b>	<b>0</b>	<b>10,485</b>
<b>Accumulated amortization and impairment at 1 October 2020</b>	<b>-428</b>	<b>-9,578</b>	<b>0</b>	<b>-10,007</b>
Amortization	-3	-362		-365
Change in scope of consolidation	324	158		483
Disposals	61	51		112
Exchange differences	-1	-18		-19
<b>Accumulated amortization and impairment at 30 September 2021</b>	<b>-47</b>	<b>-9,749</b>	<b>0</b>	<b>-9,796</b>
Amortization		-467		-467
Disposals		656		656
Exchange differences		34		34
<b>Accumulated amortization and impairment at 30 September 2022</b>	<b>-47</b>	<b>-9,526</b>	<b>0</b>	<b>-9,573</b>
<b>Net book value at 30 September 2021</b>	<b>1</b>	<b>1,316</b>	<b>46</b>	<b>1,362</b>
<b>Net book value at 30 September 2022</b>	<b>1</b>	<b>911</b>	<b>0</b>	<b>912</b>

In the consolidated income statement, amortization of intangible assets is included within “cost of sales”, “marketing and selling expense”, “research and development expense”, and “general and administrative expense”. The decrease in net book values in the prior year in the categories “technology and rights” and “software” was related to the divestiture of the Power Magnetics division.

## 4 Property, plant and equipment

	Undeveloped land	Land and buildings	Plant and machinery	IT hardware	Other tangible assets	Assets under construction	Total
<b>In CHF '000</b>							
<b>Cost at 1 October 2020</b>	<b>156</b>	<b>19,150</b>	<b>48,325</b>	<b>2,668</b>	<b>4,224</b>	<b>4,791</b>	<b>79,314</b>
Additions		204	713	121	51	3,846	4,935
Changes in scope of consolidation	-156	-4,865	-10,892	-515	-591	-39	-17,059
Disposals		-101	-1,567	-99	-133	-111	-2,010
Reclassifications		49	3,598	46	87	-3,779	0
Exchange differences		40	-656	-5	-16	-358	-994
<b>Cost at 30 September 2021</b>	<b>0</b>	<b>14,478</b>	<b>39,521</b>	<b>2,215</b>	<b>3,622</b>	<b>4,350</b>	<b>64,186</b>
Additions		93	1,056	210	273	4,560	6,192
Disposals		-502	-4,384	-567	-1,344		-6,797
Reclassifications		196	5,688		17	-5,901	0
Exchange differences		-963	-2,081	-77	-80	-383	-3,584
<b>Cost at 30 September 2022</b>	<b>0</b>	<b>13,302</b>	<b>39,800</b>	<b>1,781</b>	<b>2,488</b>	<b>2,626</b>	<b>59,997</b>
<b>Accumulated depreciation and impairment at 1 October 2020</b>							
	<b>0</b>	<b>-8,078</b>	<b>-33,113</b>	<b>-2,082</b>	<b>-3,054</b>	<b>0</b>	<b>-46,328</b>
Depreciation		-774	-4,097	-287	-344		-5,502
Changes in scope of consolidation		1,402	9,058	437	465		11,361
Disposals		75	1,451	96	132		1,754
Exchange differences		-149	269	1	3		124
<b>Accumulated depreciation and impairment at 30 September 2021</b>							
	<b>0</b>	<b>-7,524</b>	<b>-26,432</b>	<b>-1,836</b>	<b>-2,798</b>	<b>0</b>	<b>-38,591</b>
Depreciation		-550	-3,738	-245	-319		-4,852
Disposals		479	4,062	567	1,329		6,437
Exchange differences		473	1,404	74	61		2,012
<b>Accumulated depreciation and impairment at 30 September 2022</b>							
	<b>0</b>	<b>-7,122</b>	<b>-24,704</b>	<b>-1,440</b>	<b>-1,727</b>	<b>0</b>	<b>-34,993</b>
<b>Net book value at 30 September 2021</b>							
	<b>0</b>	<b>6,954</b>	<b>13,089</b>	<b>379</b>	<b>824</b>	<b>4,350</b>	<b>25,594</b>
Of which finance leases		1,599					1,599
<b>Net book value at 30 September 2022</b>							
	<b>0</b>	<b>6,180</b>	<b>15,096</b>	<b>341</b>	<b>761</b>	<b>2,626</b>	<b>25,004</b>
Of which finance leases		1,319					1,319

In the consolidated income statement, depreciation of property, plant and equipment is included within "cost of sales", "marketing and selling expense", "research and development expense", and "general and administrative expense". The prior year's decrease in net book value in the various categories of property, plant and equipment was related to the divestiture of the Power Magnetics division.

At the end of the fiscal year there were commitments to purchase property, plant and equipment in the amount of CHF 1.3 million (prior year: CHF 1.1 million). Additions to property, plant and equipment included unpaid investment of CHF 1.2 million (prior year: CHF 0.7 million).

Property, plant and equipment are covered by a Group-wide insurance policy. The maximum insured amount is CHF 80 million per claim.

### Operating leases

The future minimum payments under operating lease agreements not cancelable within one year (mainly rent for office and manufacturing space) are presented in the table below:

In CHF '000	30.09.2022	30.09.2021
<b>Minimum lease payments due:</b>		
Within 1 year	2,767	2,828
In more than 1 year and up to 5 years	5,702	6,784
In more than 5 years	7,822	8,536
<b>Total minimum payments</b>	<b>16,291</b>	<b>18,148</b>

### Finance leases

The carrying amount of assets held under finance leases was CHF 1.3 million (prior year: CHF 1.6 million) and related to the leased logistics center in Wittelsheim, France. The associated obligations under finance leases were CHF 0.5 million (prior year: CHF 0.8 million).

## 5 Inventories

In CHF '000	30.09.2022	30.09.2021
Raw materials	10,369	10,655
Work in process and semi-finished goods	2,099	1,126
Finished goods	25,734	17,796
<b>Total inventories</b>	<b>38,202</b>	<b>29,578</b>

### Inventory provisions

In CHF '000	2021/22	2020/21
<b>At 1 October</b>	<b>2,641</b>	<b>3,782</b>
Created	1,369	594
Change in scope of consolidation	0	-1,161
Used	-485	-519
Unused amounts reversed	-216	-143
Exchange differences	-189	88
<b>At 30 September</b>	<b>3,120</b>	<b>2,641</b>

## 6 Trade receivables

In CHF '000	30.09.2022	30.09.2021
Trade receivables from non-Group entities, gross	31,264	25,945
Provision for doubtful debts	-562	-324
<b>Total trade receivables</b>	<b>30,703</b>	<b>25,621</b>

### Provision for doubtful debts

In CHF '000	2021/22	2020/21
<b>At 1 October</b>	<b>324</b>	<b>155</b>
Created	296	252
Used	0	-51
Unused amounts reversed	-23	-33
Exchange differences	-35	1
<b>At 30 September</b>	<b>562</b>	<b>324</b>

The aging of trade receivables is detailed in the following table:

In CHF '000	Total	Not yet due	Overdue			
			Less than 30 days	30 to 60 days	61 to 90 days	More than 90 days
<b>Trade receivables at 30 September 2021</b>	<b>25,945</b>	<b>20,596</b>	<b>3,550</b>	<b>1,038</b>	<b>284</b>	<b>477</b>
<b>Trade receivables at 30 September 2022</b>	<b>31,264</b>	<b>23,655</b>	<b>5,198</b>	<b>1,349</b>	<b>292</b>	<b>770</b>

## 7 Provisions

In CHF '000	Warranty provisions	Pension provisions	Restructuring provisions	Other provisions	Total
<b>At 1 October 2020</b>	<b>1,086</b>	<b>3,888</b>	<b>0</b>	<b>891</b>	<b>5,865</b>
Created	573	336		557	1,466
Change in scope of consolidation	-438			-10	-449
Used	-423	-127		-416	-966
Unused amounts reversed	-574	-66		-170	-810
Exchange differences	56	-55		-8	-7
<b>At 30 September 2021</b>	<b>280</b>	<b>3,976</b>	<b>0</b>	<b>843</b>	<b>5,099</b>
Created	474	207			681
Used	-128	-234		-209	-443
Unused amounts reversed	-128	-42		-189	-359
Exchange differences	-15	-384		-4	-403
<b>At 30 September 2022</b>	<b>611</b>	<b>3,523</b>	<b>0</b>	<b>441</b>	<b>4,576</b>
Non-current provisions	169	3,976	0	12	4,157
Current provisions	111	0	0	831	942
<b>Total provisions at 30 September 2021</b>	<b>280</b>	<b>3,976</b>	<b>0</b>	<b>843</b>	<b>5,099</b>
Non-current provisions	131	3,415	0	441	3,987
Current provisions	481	108	0	0	589
<b>Total provisions at 30 September 2022</b>	<b>611</b>	<b>3,523</b>	<b>0</b>	<b>441</b>	<b>4,576</b>

Current provisions relate to cash outflows expected to occur within twelve months. Non-current provisions relate to outflows due after more than twelve months; where the time value of money is significant, the expected cash flows are discounted.

### Warranty provisions

The warranty provisions were created primarily for the warranty risks inherent in the nature of the business activities. Warranty provisions are measured based on historical experience regarding repairs and returns and adjusted to reflect current sales volumes. The outflows are expected to occur within the next three fiscal years. For specific warranty claims, additional provisions are created if the lump-sum provisions are either insufficient for these claims or not intended for them. The prior year's decrease in net book value in the category "guarantee provisions" was related to the divestiture of the Power Magnetics division.

### Pension provisions

The pension provisions consist primarily of provisions for defined benefit plans in Germany, Thailand and France.

### Restructuring provisions

For fiscal year 2021/22 as for the prior year, no restructuring provisions were raised.

### Other provisions

In the prior year (2020/21), provisions in the amount of CHF 0.4 million were created in connection with the divestiture of the Power Magnetics division. This amount was used in the year under review.

## 8 Borrowings

The average interest rate payable on borrowings in fiscal year 2021/22 was 1.3% (prior year: 2.0%).

The composition of borrowings is shown in the following table:

In CHF '000	Effective interest rate at 30.09.2022	30.09.2022	30.09.2021
Bank loans in Switzerland	SARON (min. 0%) +1.0pp	10,369	11,282
Finance leases	4.514%	498	796
<b>Total borrowings</b>		<b>10,867</b>	<b>12,339</b>
Of which:			
Current borrowings		10,583	233
Non-current borrowings		284	12,105

The debt financing of the Schaffner Group is assured through credit lines with four banks, with a credit limit of CHF 7.5 million per facility. These credit agreements are tied to covenants, which were fulfilled both during the year and at the balance sheet date. The contractual covenants relate to metrics that include net debt/ EBITDA, equity, and equity ratios.

The remaining maturities of the Group's individual bank borrowings at the balance sheet date ranged up to three months. Under the credit agreements, they can be rolled over continuously until at least 30 June 2023.

## 9 Derivative financial instruments

In CHF '000	Contract amounts		Positive fair values		Negative fair values	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Forward contracts	1,357	1,446			-24	-10
Other derivative hedging transactions	13,453	14,755	120	33	-241	-283
<b>Total</b>	<b>14,810</b>	<b>16,201</b>	<b>120</b>	<b>33</b>	<b>-265</b>	<b>-293</b>

Contract amounts represent the outstanding transaction volume. At the balance sheet date, there were only currency contracts; these had a net negative fair value of CHF 0.1 million (prior year: net negative fair value of CHF 0.3 million). The changes in the fair value of these currency contracts are reported in cash flow from operating activities based on the recognition of the underlying transaction.

## 10 Contingent liabilities and pledged assets

As a company with worldwide operations, Schaffner is exposed to numerous legal risks. The outcome of currently pending legal proceedings cannot be predicted with certainty. Provisions are established inasmuch as the financial consequences of a past event can be estimated reliably and the estimate can be confirmed by independent expert opinion.

Assets of CHF 0.2 million (prior year: CHF 0.2 million) were pledged as collateral for electricity consumed and for pension liabilities.

## 11 Exceptional effects, and accounting for and disclosure of government grants and assistance

In the prior year, Schaffner received government assistance in connection with the fight against the coronavirus pandemic. These grants or assistance from national governments such as in the USA, China, and Thailand totaled CHF 1.9 million and were presented on a net basis in the accounts concerned. In the year under review no government grants or assistance were received.

## 12 Staff costs

In CHF '000	2021/22	2020/21
Wages and salaries	33,841	43,014
Share-based payments expense (Long-Term Incentive Plan)	318	171
Social security costs	5,960	7,270
Temporary employees and other staff costs	6,700	6,379
<b>Total staff costs</b>	<b>46,818</b>	<b>56,834</b>

<sup>1</sup> See note 17, page 82. The difference relative to the consolidated statement of changes in equity is attributable to the compensation of the Board of Directors.

## 13 Pension obligations

There are various pension plans for the employees of the Schaffner Group. The pension fund of Schaffner's Swiss companies is a private sector pension arrangement in the legal form of a foundation. It administers the delivery of Schaffner's mandatory (legislated) and voluntary post-employment benefits in Switzerland under the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pensions (the BVG).

### Economic benefit/economic obligation and pension costs

The table below presents the economic benefit or economic obligation at the end of the year under review and the prior year, and the resulting change in pension costs:

In CHF '000	Plan surplus/ (-deficit)	Economic benefit/ (-obligation) of the Schaffner Group		Exchange differences	Change recognized in income statement <sup>1</sup>	Accrued contri- butions	Pension costs recognized in staff costs	
	30.09.22	30.09.22	30.09.21	2021/22	2021/22	2021/22	2021/22	2020/21
Plans with a surplus	0	0	0	0	0	1,022	1,022	1,061
Unfunded plans	0	-2,913	-3,221	-384	76	-208	-132	217
<b>Balance</b>	<b>0</b>	<b>-2,913</b>	<b>-3,221</b>	<b>-384</b>	<b>76</b>	<b>814</b>	<b>890</b>	<b>1,278</b>

<sup>1</sup> Change in economic benefit or obligation of the Schaffner Group.

Most Schaffner subsidiaries operate defined contribution pension arrangements. Under these, as a rule, the employees and employer pay into pension funds administered by third parties. The Schaffner Group has no payment obligations beyond making these contributions. The contributions are recognized in staff costs.

The pension fund of the Swiss companies of the Schaffner Group reported a surplus under Swiss GAAP FER 26. The revaluation reserve has reached its target amount.

The economic obligation recognized in the balance sheet for unfunded pension plans was CHF 2.9 million (prior year: CHF 3.2 million) and related to the pension plans in Germany, France, Thailand, Italy and Japan.

## 14 Finance income and expense

### Finance income

In CHF '000	2021/22	2020/21
Interest income	31	54
Foreign exchange gains	4,698	52
Other financial income	52	45
<b>Total finance income</b>	<b>4,781</b>	<b>151</b>

### Finance expense

In CHF '000	2021/22	2020/21
Interest cost	-156	-597
Foreign exchange losses	-5,561	-858
Other finance expense	-294	-121
<b>Total finance expense</b>	<b>-6,011</b>	<b>-1,576</b>

## 15 Income tax

In CHF '000	2021/22	2020/21
Current tax in respect of the current year	-1,382	-1,620
Adjustments in respect of prior periods, net	-49	-600
<b>Current tax</b>	<b>-1,431</b>	<b>-2,220</b>
Current tax	-1,431	-2,220
Deferred tax	-119	-1,975
<b>Income tax</b>	<b>-1,550</b>	<b>-4,195</b>

Deferred tax liabilities of CHF 3.3 million (prior year: liabilities of CHF 3.2 million) for temporary differences in connection with reinvested profits in subsidiaries were not recognized at the end of the fiscal year, as the Group is able to control the timing of reversal of these differences and no repayment is planned for the foreseeable future.

For fiscal 2021/22, CHF 0.8 million (prior year: CHF 1.2 million) for deferred taxes was included in accrued expenses.

### Tax loss carryforwards

At 30 September 2022, there were tax loss carryforwards of CHF 34.0 million (prior year: CHF 35.8 million) for which no deferred tax assets were recognized. The reason for the non-recognition is that it is considered unlikely the potential tax assets would be applied to taxable profits within the period allowed. The average tax rate applicable to the tax loss carryforwards would be 21.3% (prior year: 21.8%).

These loss carryforwards expire on the following schedule:

In CHF '000	2021/22	2020/21
Expiry in 1 year	0	0
Expiry in 2 years	0	0
Expiry in 3 years	0	458
Expiry in 4 years	0	0
Expiry in 5 years	0	0
Expiry in more than 5 years	34,034	35,356
<b>Total unused tax loss carryforwards</b>	<b>34,034</b>	<b>35,814</b>
Potential positive tax effect	7,249	7,808

Reconciliation of profit before tax (EBT) to income tax expense

In CHF '000	2021/22	2020/21
<b>Profit before tax reported in the income statement</b>	<b>14,168</b>	<b>1,901</b>
Nominal tax rate	16%	16%
Expected income tax at nominal tax rate	-2,246	-311
Effect of non-recognition of tax loss carryforwards	-5	-901
Effect of tax rates/tax bases other than nominal tax rate/tax bases	-536	38
Effect of expenses not deductible for tax purposes	-91	-34
Effect of non-taxable income	11	32
Utilization of previously unrecognized tax losses or gains	869	135
Adjustments in respect of prior periods	-49	-600
Non-refundable withholding taxes	-127	-143
Change in recognition of tax loss carryforwards	1	23
Effect of tax reform	623	0
Effect of goodwill recycling	0	-2,437
<b>Income tax (-expense) reported in the income statement</b>	<b>-1,550</b>	<b>-4,196</b>

For the tax reconciliation, the tax rate under the so-called home-based approach was used, i.e., the tax rate that applies to the Group's principal activities in Switzerland. The weighted average applicable tax rate based on the subsidiaries' pre-tax profit (EBT) was 16.1% (prior year: 23.1%).

At the balance sheet date, the deferred tax liabilities and assets were attributable to items in the balance sheet as follows:

<b>In CHF '000</b>	<b>2021/22</b>	<b>2020/21</b>
Intangible assets	622	-4
Property, plant and equipment	-855	-720
Inventories	1,403	1,059
Trade receivables	37	-79
Provisions	584	595
Trade and other payables	622	675
Tax loss carryforwards	3,459	4,697
<b>Net deferred tax assets</b>	<b>5,872</b>	<b>6,223</b>
Of which:		
Reported in the balance sheet as deferred tax liabilities	-283	-251
Reported in the balance sheet as deferred tax assets	6,154	6,467

## 16 Segment reporting

Until 30 June 2021, the Schaffner Group was segmented into the three divisions EMC, Automotive and Power Magnetics. They were the organizational units for which results were reported to the Executive Committee.

As a result of the divestiture of the Power Magnetics division, the remaining segment structure and the segment reporting content were re-evaluated. Based on the outcome of this analysis, it was decided to retain the Group's segmentation into the Industrial division (renamed from the EMC division) and the Automotive division. However, for competition reasons, Schaffner now no longer publishes divisional earnings. The continued publication of divisional data as before would entail disadvantages for the Schaffner Group due to the resulting information asymmetry relative to its competitors and would materially affect potential orders in an environment of strong pressure on prices. For this reason, since including the 2020/21 financial statements, the only segment data reported by the Schaffner Group is divisional sales.

### Industrial (IN)

The Industrial division develops and manufactures standard and custom components that protect power electronic systems from line interference (thus ensuring electromagnetic compatibility) and safeguard their reliable operation in power grids. As well, the division's Power Quality business unit develops and manufactures active and passive filter solutions to assure the best quality of electric power. The key markets served include energy-efficient drive systems, renewable energy, power supply systems for electronic devices, as well as machine tools and robotics.

### Automotive (AM)

The Automotive division develops and manufactures components for keyless authentication systems and filter solutions for hybrid and electric vehicles. Working closely with leading automobile manufacturers and automotive suppliers, Schaffner engineers leverage their specialized EMC expertise to support customers in the development of new models.

### Power Magnetics (PM)

As discussed above, the Power Magnetics division was sold effective 30 June 2021. It is presented only for the sake of completeness.

No operating segments have been aggregated to form these reportable business segments.

### Information by division

#### 2021/22

In CHF '000	IN	AM	PM	Group
Net sales	128,465	29,720		158,185

#### 2020/21

In CHF '000	IN	AM	PM	Group
Net sales	108,612	38,650	25,217	172,479

### Information by region

In the analysis below, net sales with external customers are attributed to regions based on customer location.

#### 2021/22

In CHF '000	Europe	Asia	Americas	Group
Net sales	88,470	43,122	26,593	158,185

#### 2020/21

In CHF '000	Europe	Asia	Americas	Group
Net sales	97,390	46,310	28,779	172,479

## 17 Share-based payments

The Schaffner Group has an equity incentive plan (share ownership plan) for upper management employees and the Board of Directors, the Long-Term Incentive Plan (LTIP).

### Long-Term Incentive Plan

The members of the Board of Directors and selected key personnel of the company are each allocated a contractually agreed target number of shares under the LTIP. This target number of shares is multiplied by an achievement factor of between 0.5 and 1.5 that is set by the Board.

The shares are subject to a holding period of at least three years, during which they cannot be sold but carry full voting and dividend rights. If the recipient leaves the company during the holding period, the shares do not revert to the company, but remain subject to the holding period.

In fiscal year 2021/22, a final total of 2,122 shares (prior year: 2,071 shares) were granted, on 3 January 2022, with a fair value of CHF 149 per share (prior year: CHF 171 per share). The final expense totaling CHF 316 thousand (prior year: CHF 353 thousand) was largely accounted for in the prior fiscal year, 2020/21, by provisionally recognizing an accrued expense of CHF 261 thousand (prior year: CHF 337 thousand) based on the target number of shares.

For fiscal year 2021/22, based on the assumption of an achievement factor of 1, a total target number of 1,716 shares was allocated (accrued) under the LTIP (prior year: 1,786 shares allocated). At a fair value of CHF 234 per share (prior year: CHF 149), the allocated shares were expensed in the fiscal year at a total amount of CHF 402 thousand (prior year: CHF 261 thousand).

The actual final number of shares to be granted for fiscal year 2021/22 was determined by the Board of Directors on 28 November 2022.

## 18 Earnings per share

### Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of Schaffner Holding AG by the weighted average number of ordinary shares outstanding during the reporting period, excluding ordinary shares purchased by the Group and held as treasury shares.

	2021/22	2020/21
<b>Basic earnings per share</b>		
Net profit/(-loss) for the period in CHF '000	12,618	-2,295
Weighted average number of shares outstanding entitled to dividend	631,069	631,692
Basic earnings/(-loss) per share in CHF	19.99	-3.63

### Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit for the period attributable to shareholders of Schaffner Holding AG by the weighted average number of ordinary shares outstanding during the reporting period, including all shares that would result from the exercise of all potentially dilutive outstanding share options.

	2021/22	2020/21
<b>Diluted earnings per share</b>		
Net profit/(-loss) for the period in CHF '000	12,618	-2,295
Relevant share options outstanding, in number of shares	0	0
Weighted average number of shares outstanding to use in calculation of diluted earnings per share	631,069	631,692
Diluted earnings/(-loss) per share in CHF	19.99	-3.63

## 19 Treasury shares

	Number of shares	Average share price in CHF	At average price in CHF '000
<b>At 1 October 2020</b>	<b>2,954</b>	<b>206</b>	<b>608</b>
+ Purchase <sup>1</sup>	4,562		1,027
– Utilized for share-based incentive plans <sup>2</sup>	–2,071		–352
Valuation differences <sup>3</sup>			–62
<b>At 30 September 2021</b>	<b>5,445</b>	<b>224</b>	<b>1,221</b>
+ Purchase <sup>1</sup>	2,079		642
– Utilized for share-based incentive plans <sup>2</sup>	–2,122		–316
Valuation differences <sup>3</sup>			–159
<b>At 30 September 2022</b>	<b>5,402</b>	<b>257</b>	<b>1,388</b>

<sup>1</sup> At share prices quoted at the transaction date.

<sup>2</sup> At fair value.

<sup>3</sup> The difference between the average purchase price and the exercise price or selling price is taken to share premium.

## 20 Related parties

All transactions with subsidiaries were completely eliminated on consolidation.

Information on the amounts of compensation of the Board of Directors and Executive Committee is provided in the compensation report from page 57.

## 21 Release of the consolidated financial statements for publication

The consolidated financial statements were released by the Board of Directors of Schaffner Holding AG on 5 December 2022 for publication and will be presented to shareholders for adoption at the Annual General Meeting on 10 January 2023.

## 22 Events after the balance sheet date

No events have occurred after the balance sheet date that have a material effect on the amounts in the consolidated financial statements.

## 23 Companies of the Schaffner Group

The following companies' results were consolidated in the accounts of the Schaffner Group at 30 September 2022:

Company	Registered office		Capital in '000	Group's interest in %
Schaffner Holding AG	Luterbach, Switzerland	CHF	20,668	100%
Schaffner EMV AG	Luterbach, Switzerland	CHF	14,000	100%
Schaffner Oy	Lohja, Finland	EUR	34	100%
Schaffner EMC S.A.S.	Wittelsheim, France	EUR	5,330	100%
Schaffner Ltd.	Wokingham, UK	GBP	50	100%
Schaffner EMC S.r.l.	Milano, Italy	EUR	100	100%
Schaffner Deutschland GmbH	Karlsruhe, Germany	EUR	380	100%
Schaffner EMC AB	Sollentuna, Sweden	SEK	200	100%
Schaffner EMC, Inc.	Edison, NJ, USA	USD	1,030	100%
Schaffner MTC LLC <sup>1</sup>	Wytheville, VA, USA		N/A	N/A
Schaffner EMC Ltd.	Shanghai, China	CNY	52,815	100%
Schaffner EMC K.K.	Tokyo, Japan	JPY	10,000	100%
Schaffner EMC Pte. Ltd.	Singapore	SGD	1,200	100%
Schaffner EMC Co. Ltd.	Lamphun, Thailand	THB	140,000	100%
Schaffner EMV Ltd. (Taiwan Branch)	Taipei, Taiwan	TWD	5,000	100%
Schaffner India Pvt. Ltd.	Bangalore, India	INR	1,000	100%

<sup>1</sup> Company in liquidation.

# Report of the statutory auditor on the consolidated financial statements



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## STATUTORY AUDITOR'S REPORT

To the General Meeting of Schaffner Holding AG, Luterbach

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Schaffner Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 September 2022, the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 62 to 89) give a true and fair view of the consolidated financial position of the Group as at 30 September 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How our audit addressed the key audit matter
------------------	--

**Inventories existence and valuation**  
 As of September 30, 2022 the value of inventories in the balance sheet amounted to mCHF 38.2 and represented a material position.

The financial statement position inventories consists of the following positions:

- raw material of mCHF 10.4 (prior year mCHF 10.7)
- work in process and semi-finished goods of mCHF 2.1 (prior year mCHF 1.1)
- finished goods of mCHF 25.7 (prior year mCHF 17.8)
- inventories provisions of mCHF -3.1 (prior year mCHF -2.6)

Inventories are considered as a key audit matter due to the significance for Schaffners' business and because they are influenced by external developments on global economy like COVID and the Ukraine/Russia situation. Also, valuation of inventories involves management judgment.

Inventories are recognized in accordance with Swiss GAAP FER 17. According to the accounting principles, raw material is measured at the cost of purchase. Produced goods are measured at the cost of production including production overhead by using the standard cost method. The recoverability is periodically reviewed by comparing the standard cost applied to the actual costs and identification of no or slow-moving items.

Additionally, there is a risk that inventories cost of production exceed the sales price less selling and administrative cost (lower of cost or net realizable value principle).

Refer to the accounting policies on page 69 as well as note 5 of the consolidated financial statements.

- We obtained an understanding of the relevant processes and control activities in regard to inventories (including monitoring and month-end procedures).
- We assessed the compliance of the accounting policies with Swiss GAAP FER 17.
- To test the quantity of inventories at significant locations, physical inventory counts have been attended.
- Inventories valuation allowances and significant assumptions, analyses and assessments made by management with respect to slow moving and obsolete stock were reviewed and assessed by inquiry and reconciliation to underlying information.
- We evaluated the effects of the standard cost method and analysed individual cost components and net realizable values either by obtaining the calculation basis or performed testing on a sample basis by comparing with source data.
- We performed analytical procedures in relation to the development of inventories, their allowances and the margin.
- We assessed the appropriateness of the disclosures within the consolidated financial statements related to inventories.



#### Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

#### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Solothurn, 5 December 2022

BDO Ltd

Thomas Bigler

Auditor in Charge

Licensed Audit Expert

Bianca Knödler

Licensed Audit Expert

# **Company financial statements of Schaffner Holding AG**

# Balance sheet

In CHF '000	Note	30.09.2022	30.09.2021
Cash and cash equivalents, and current assets with a quoted market price	2.1	19	71
Other current receivables	2.2	1,436	201
Prepaid expenses and deferred income		246	302
<b>Current assets</b>		<b>1,701</b>	<b>574</b>
Investments in subsidiaries	2.3	85,250	85,250
<b>Non-current assets</b>		<b>85,250</b>	<b>85,250</b>
<b>TOTAL ASSETS</b>		<b>86,951</b>	<b>85,824</b>
Current interest-bearing liabilities	2.4	0	6,428
Other current payables	2.5	203	137
Accrued expenses	2.6	1,143	1,516
<b>Current liabilities</b>		<b>1,346</b>	<b>8,081</b>
Non-current interest-bearing liabilities	2.4	0	7,400
Non-current provisions	2.7	2	2
<b>Non-current liabilities</b>		<b>2</b>	<b>7,402</b>
<b>Total liabilities</b>		<b>1,348</b>	<b>15,483</b>
Share capital	1.1	20,668	20,668
Legally required capital reserves			
Share premium	2.8	18,017	20,861
Legally required retained earnings			
General legally required retained earnings		4,134	4,134
Discretionary retained earnings			
Earnings brought forward		23,054	24,722
Net profit for the year		21,118	1,177
Treasury shares	5.1	-1,388	-1,221
<b>Shareholders' equity</b>		<b>85,603</b>	<b>70,341</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>86,951</b>	<b>85,824</b>

# Income statement

(year ended 30 September)

In CHF '000	Note	2021/22	2020/21
Operating income	3.1	5,123	6,401
<b>Net sales of services</b>		<b>5,123</b>	<b>6,401</b>
Staff costs		-2,457	-2,580
Other operating expenses	3.2	-1,685	-2,376
<b>Operating profit before interest and tax (EBIT)</b>		<b>980</b>	<b>1,445</b>
Finance income	3.3	20,459	8
Finance expense	3.4	-22	-133
<b>Profit before tax (EBT)</b>		<b>21,417</b>	<b>1,321</b>
Direct tax		-299	-144
<b>Net profit for the year</b>		<b>21,118</b>	<b>1,177</b>

# Notes to the company financial statements of Schaffner Holding AG

## 1 Background information and basis of preparation

### 1.1 General information

#### Legal form, registered office and share capital

Schaffner Holding AG ("the Company") was founded as a stock corporation in Switzerland and has its registered office in Luterbach in the canton of Solothurn. Its share capital is CHF 20,668,050, consisting of 635,940 registered shares with a nominal value of CHF 32.50 per share. The issued shares are fully paid.

#### Purpose of the Company

The Company's purpose is the acquisition and management of equity interests in commercial, financial and industrial enterprises in Switzerland and abroad, and the purchase and sale of any types of securities, movable assets and real property.

#### Average full-time equivalents in the year

Schaffner Holding AG did not employ more than 50 full-time equivalents on average over the year (prior year: not more than 50).

#### Level of audit

The audit of Schaffner Holding AG by the audit firm is an ordinary audit, as the conditions under section 727 et seq. of the Swiss Code of Obligations for this highest level of audit assurance are met.

### 1.2 Accounting policies

#### Accounting principles

These company financial statements were prepared in accordance with the principles of the applicable Swiss Accounting Law (Title 32 of the Code of Obligations). Those key accounting principles that are not prescribed by law are set out below.

#### Omission of management report, cash flow statement and supplementary disclosures in the notes

As Schaffner Holding AG prepares consolidated financial statements under a recognized accounting standard (Swiss GAAP FER), it has elected in these company financial statements, as permitted by law, to dispense with preparing a management report and to omit a cash flow statement and (in the notes) to omit the supplementary information on interest-bearing liabilities and auditing fees.

#### Estimates and assumptions by management

The accounting in accordance with the Swiss Code of Obligations requires certain assumptions and estimates by management. These judgments are made on an ongoing basis and take into consideration past experience and other factors (such as expectations of future events that seem reasonable under the circumstances). The actual subsequent outcomes may differ from these assumptions and estimates. It should be borne in mind that hidden reserves may be created and released to safeguard the sustained success of the Company.

### **Related parties**

Related parties include the subsidiaries, the members of the Board of Directors and the shareholders of the Company.

### **Cash and cash equivalents, and current assets with a quoted market price**

The item “cash and cash equivalents, and current assets with a quoted market price” consists of cash on hand, bank deposits, and short-term money market investments with a term to maturity of up to three months. Securities held as current assets are measured at the quoted market price at the balance sheet date. No re-valuation reserve is maintained.

### **Other current receivables and payables**

Other current receivables and payables consist primarily of the intra-Group pass-throughs to and from the subsidiaries. These assets and liabilities are recognized at their nominal value.

### **Treasury shares**

Treasury shares are measured at cost at the time of acquisition and are recognized as a deduction item in equity. On subsequent resale, the gain or loss is recognized in the income statement as finance income or expense. The subsidiaries do not hold treasury shares of Schaffner Holding AG.

### **Operating income**

Operating income consists of income from subsidiaries and intra-Group income from licenses and management fees.

### **Share-based payments**

Upper management employees and the members of the Board of Directors are annually granted shares of the Company. The shares are subject to a holding period of at least three years, during which they cannot be sold but carry full voting and dividend rights. If the recipient leaves the company during the holding period, the shares do not revert to the company, but remain subject to the holding period.

## 2 Notes to the balance sheet

### 2.1 Cash and cash equivalents, and current assets with a quoted market price

In CHF '000	30.09.2022	30.09.2021
Bank deposits	19	71
<b>Total</b>	<b>19</b>	<b>71</b>

### 2.2 Other current receivables

In CHF '000	30.09.2022	30.09.2021
Other receivables from non-Group entities	34	10
Other receivables from subsidiaries	1,402	191
<b>Total</b>	<b>1,436</b>	<b>201</b>

### 2.3 Investments in subsidiaries

#### Directly held

In '000, except %	Details	30.09.2022	30.09.2021
Schaffner EMV AG	Share capital	CHF 14,000	CHF 14,000
Luterbach, Switzerland	Equity/voting interest	100%	100%

## Indirectly held

In '000, except %	Details	30.09.2022	30.09.2021
Schaffner Oy	Share capital	EUR 34	EUR 34
Lohja, Finland	Equity/voting interest	100%	100%
Schaffner EMC S.A.S.	Share capital	EUR 5,330	EUR 5,330
Illzach, France	Equity/voting interest	100%	100%
Schaffner Ltd.	Share capital	GBP 50	GBP 50
Wokingham, UK	Equity/voting interest	100%	100%
Schaffner EMC S.r.l.	Share capital	EUR 100	EUR 100
Milan, Italy	Equity/voting interest	100%	100%
Schaffner EMC AB	Share capital	SEK 200	SEK 200
Sollentuna, Sweden	Equity/voting interest	100%	100%
Schaffner EMC Inc.	Share capital	USD 1,030	USD 1,030
Edison, NJ, USA	Equity/voting interest	100%	100%
Schaffner MTC LLC <sup>1</sup>	Share capital	N/A	USD 2,676
Wytheville, VA, USA	Equity/voting interest		100%
Schaffner EMC Ltd.	Share capital	CNY 52,815	CNY 52,815
Shanghai, China	Equity/voting interest	100%	100%
Schaffner EMC K.K.	Share capital	JPY 10,000	JPY 10,000
Tokyo, Japan	Equity/voting interest	100%	100%
Schaffner EMC Pte. Ltd.	Share capital	SGD 1,200	SGD 1,200
Singapore	Equity/voting interest	100%	100%
Schaffner EMC Co. Ltd.	Share capital	THB 140,000	THB 140,000
Lamphun, Thailand	Equity/voting interest	100%	100%
Schaffner EMV Ltd.	Share capital	TWD 5,000	TWD 5,000
Taipei City, Taiwan	Equity/voting interest	100%	100%
Schaffner Deutschland GmbH	Share capital	EUR 380	EUR 380
Karlsruhe, Germany	Equity/voting interest	100%	100%
Schaffner India Pvt. Ltd.	Share capital	INR 1,000	INR 1,000
Bangalore, India	Equity/voting interest	100%	100%

<sup>1</sup> Company in liquidation.

## 2.4 Interest-bearing liabilities

In CHF '000	30.09.2022	30.09.2021
Interest-bearing liabilities to subsidiaries	0	9,328
Interest-bearing liabilities to non-Group entities	0	4,500
<b>Total</b>	<b>0</b>	<b>13,828</b>
Of which:		
Current interest-bearing liabilities	0	6,428
Non-current interest-bearing liabilities	0	7,400

## 2.5 Other current payables

In CHF '000	30.09.2022	30.09.2021
Other liabilities to non-Group entities	177	117
Other liabilities to social security plans	21	20
Other liabilities to subsidiaries	5	0
<b>Total</b>	<b>203</b>	<b>137</b>

## 2.6 Accrued expenses

In CHF '000	30.09.2022	30.09.2021
Accrued tax	296	119
Accrued social security expenses	69	40
Accrued performance-related compensation	197	423
Other accrued expenses	581	933
<b>Total</b>	<b>1,143</b>	<b>1,516</b>

## 2.7 Non-current provisions

In CHF '000	30.09.2022	30.09.2021
Provisions for length-of-service awards	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

## 2.8 Share premium

In CHF '000	30.09.2022	30.09.2021
Share premium	18,017	20,861
<b>Total</b>	<b>18,017</b>	<b>20,861</b>

Share premium represents the additional paid-in capital from capital increases, less the dividend payments made to date. The tax treatment of the distribution from share premium is the same as for a repayment of share capital. The Swiss Federal Tax Administration has confirmed that the reported share premium is recognized as additional paid-in capital within the meaning of section 5 (1bis) of the Withholding Tax Act.

## 3 Notes to the income statement

### 3.1 Operating income

In CHF '000	2021/22	2020/21
Income from management fees	2,710	4,034
Income from licensing	2,413	2,415
<b>Total</b>	<b>5,123</b>	<b>6,448</b>

### 3.2 Other operating expenses

In CHF '000	2021/22	2020/21
General and administrative expense	-865	-823
Consulting expenses	-696	-1,472
Miscellaneous operating expenses	-125	-80
<b>Total</b>	<b>-1,685</b>	<b>-2,376</b>

### 3.3 Finance income

In CHF '000	2021/22	2020/21
Interest income from subsidiaries	4	8
Other finance income	20,203	15
Exchange differences	252	18
<b>Total</b>	<b>20,459</b>	<b>41</b>

### 3.4 Finance expense

In CHF '000	2021/22	2020/21
Interest expense with non-Group entities	-14	-97
Interest expense with subsidiaries	-8	-68
<b>Total</b>	<b>-22</b>	<b>-166</b>

## 4 Notes on compensation

### 4.1 Schaffner shares, options and conversion rights held by the members of the Board of Directors and Executive Committee

	30.09.2022	30.09.2021
	Number of shares held	Number of shares held
<b>Board of Directors</b>		
Urs Kaufmann, Chairman	1,625	1,400
Philipp Buhofer <sup>1</sup>	109,355	154,547
Gerhard Pegam	776	676
Andrea Tranel (since January 2021)	100	0
<b>Total holdings of the Board of Directors</b>	<b>111,856</b>	<b>156,623</b>
<b>Executive Committee</b>		
Marc Aeschlimann, CEO	2,093	1,718
Christian Herren, CFO	636	511
Guido Schlegelmilch, Executive VP, EMC division (until September 2021)	707	707
Martin Lüteneegger, Executive VP, AM division	375	250
<b>Total holdings of the Executive Committee</b>	<b>3,104</b>	<b>3,186</b>

<sup>1</sup> Including shares held by BURU Holding AG (prior year: held by the shareholder group BURU Holding AG).

In the year under review, Schaffner did not grant loans or other credit to current or past members of the Board of Directors, members of the Executive Committee or parties related to them.

## 4.2 Equity securities granted

The following equity securities (shares) were granted to the Board of Directors, the Executive Committee and other employees of the Schaffner Group in the respective fiscal year:

	2021/22		2020/21	
	Number of shares	In CHF '000	Number of shares	In CHF '000
Granted to the Board of Directors	525	168	525	107
Granted to the Executive Committee	625	200	738	151
Granted to other employees	972	311	808	171
<b>Total</b>	<b>2,122</b>	<b>679</b>	<b>2,071</b>	<b>429</b>

## 5 Other information

### 5.1 Treasury shares

	Number of shares	Average share price in CHF	Value at avg share price in CHF '000
<b>At 1 October 2020</b>	<b>2,954</b>	<b>206</b>	<b>608</b>
+ Purchase <sup>1</sup>	4,562		1,027
- Utilized for share-based incentive plans <sup>1</sup>	-2,071		-352
Valuation differences <sup>2</sup>			-62
<b>At 30 September 2021</b>	<b>5,445</b>	<b>224</b>	<b>1,221</b>
+ Purchase <sup>1</sup>	2,079		642
- Utilized for share-based incentive plans <sup>1</sup>	-2,122		-679
Valuation differences <sup>2</sup>			204
<b>At 30 September 2022</b>	<b>5,402</b>	<b>257</b>	<b>1,388</b>

<sup>1</sup> At share prices quoted at the transaction date.

<sup>2</sup> The difference between the average purchase price and the exercise price or selling price is taken to share premium.

## 5.2 Significant shareholders

Shareholders with positions of 3% or more in shares of Schaffner Holding AG at the respective balance sheet date are named below, based on the latest published notifications at the time:

	30.09.2022		30.09.2021	
	Number of shares	Equity interest	Number of shares	Equity interest
Shareholder group BURU Holding AG			154,547	24.3%
BURU Holding AG	109,355	17.2%		
J. Safra Sarasin Investmentfonds AG	62,271	9.8%	62,271	9.8%
UBS Fund Management (Switzerland) AG	57,793	9.1%	66,285	10.4%
Mirabaud - Equities Swiss Small and Mid	32,304	5.1%	32,304	5.1%
Jörg Wolle	25,880	4.1%		
Marc Buhofer	19,662	3.1%		
Roger E. Lombard	19,630	3.1%		
Matter Group AG	19,100	3.0%	19,100	3.0%
Avalon Park Group Holding AG			19,100	3.0%
Shareholders with interests of less than 3%	284,543	44.7%	276,888	43.5%
Treasury shares	5,402	0.9%	5,445	0.9%
<b>Total shares outstanding</b>	<b>635,940</b>	<b>100.0%</b>	<b>635,940</b>	<b>100.0%</b>

## 5.3 Total amount of security pledged for liabilities of third parties

In CHF '000	30.09.2022	30.09.2021
Guarantee obligations	24,750	49,500
Of which utilized in subsidiaries in respect of credit obligations	9,412	3,790

### Joint and several liability

The Group's Swiss companies are treated as a single entity for the purposes of value-added taxation. Schaffner Holding AG therefore has joint and several liability for the Swiss subsidiaries' VAT obligations to the Swiss federal tax authority.

Under Group-wide agreements with Commerzbank and Credit Suisse, Schaffner Holding AG as a participant in the Group's cash pool has joint and several liability to the extent of its free reserves.

## 5.4 Residual amount of lease obligations

In CHF '000	30.09.2022	30.09.2021
Due in:		
Up to 1 year	20	13
More than 1 and up to 5 years	40	8
More than 5 years	0	0
<b>Total</b>	<b>60</b>	<b>20</b>

## 5.5 Significant events after the balance sheet date

No events have occurred after the balance sheet date that have a material effect on the amounts in the financial statements.

## 5.6 Release of the company financial statements for publication

The company financial statements were released by the Board of Directors of Schaffner Holding AG on 5 December 2022 for publication and will be presented to shareholders for adoption at the Annual General Meeting on 10 January 2023.

## 5.7 Proposal for the appropriation of retained earnings and distributable share premium

At the Annual General Meeting, the Board of Directors will propose to allocate retained earnings as follows:

In CHF '000	30.09.2022	30.09.2021 <sup>1</sup>
Earnings brought forward	23,062	24,722
Net profit for the year	21,118	1,177
<b>Retained earnings available for distribution</b>	<b>44,180</b>	<b>25,899</b>
Transfer to legally required reserves <sup>2</sup>	0	0
Distribution of CHF 4.50 (prior year: CHF 4.50) per share entitled to dividends	-2,837	-2,837
<b>Earnings carried forward</b>	<b>41,342</b>	<b>23,062</b>

<sup>1</sup> Amounts approved by the Annual General Meeting for the prior year.

<sup>2</sup> No further transfers to general legally required retained earnings are necessary under section 671 para. 4 of the Swiss Code of Obligations, as this reserve already represents 20% of share capital.

At the Annual General Meeting, the Board of Directors will also propose to make a distribution from the distributable share premium reserve, as follows:

In CHF '000, except share counts	30.09.2022	30.09.2021 <sup>1</sup>
Distributable share premium reserve brought forward	0	0
Transfer from share premium account to distributable share premium reserve	2,837	2,837
Distribution of CHF 4.50 (prior year: CHF 4.50) per share entitled to dividends, exempt from withholding tax	-2,837	-2,837
<b>Distributable share premium reserve carried forward</b>	<b>0</b>	<b>0</b>
Total number of shares outstanding	635,940	635,940
Number of treasury shares	-5,402	-5,445
Number of shares entitled to dividends <sup>2</sup>	630,538	630,495

<sup>1</sup> Amounts approved by the Annual General Meeting for the prior year.

<sup>2</sup> Shares entitled to dividends are those shares not held by the Company or one of its subsidiaries.

# Report of the statutory auditor on the company financial statements



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## STATUTORY AUDITOR'S REPORT

To the General Meeting of Schaffner Holding AG, Luterbach

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Schaffner Holding AG (the company), which comprise the balance sheet as at 30 September 2022 and the income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the financial statements (pages 94 to 105) as at 30 September 2022 comply with Swiss law and the company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We concluded that there were no key audit matters to report in our report.



#### Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

#### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and the distribution of capital reserves comply with Swiss law and the company's articles of association.

We recommend that the financial statements submitted to you be approved.

Solothurn, 5 December 2022

BDO Ltd

Thomas Bigler

Auditor in Charge  
Licensed Audit Expert

Bianca Knödler

Licensed Audit Expert

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### **Important note on forward-looking statements**

This report contains certain forward-looking statements, which may be identified by the use of expressions such as “could”, “propose”, “opens up opportunities”, “outlook”, “attractive” or similar wording. Such forward-looking statements reflect management’s current opinion and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Schaffner Group to differ materially from those contained or implied in such statements. These include, but are not limited to, risks related to the success of and demand for the Group’s products, the potential for its products to become obsolete, the Group’s ability to protect its patents, the Group’s ability to develop and market new products quickly enough, the rapidly changing and competitive environment in which the Group operates, the regulatory environment, fluctuation in foreign exchange rates, the Group’s ability to generate revenue and net profits, and its ability to carry out expansion or cost control projects in a timely manner. Should one or more such risks or uncertainties materialize or come to bear, or should assumptions that underlie this report prove incorrect, the actual results could differ materially from the outcomes suggested in this report. The information in this report represents the best knowledge at the time of first publication. The Schaffner Group does not undertake any obligation to update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

### **Comments**

As a result of rounding, minor variances in calculated sums and percentages are possible in this annual report.

In the interest of readability, this report may sometimes use language that is not gender neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.

This English version of the Schaffner Group annual report is a translation from German and is provided solely for readers’ convenience. Only the German version is binding.

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