Annual Financial Report
as of 31 March 2024

CONNECTING TECHNOLOGY

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft

Annual Financial Report as of 31 March 2024

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The consolidated financial statements, the financial statements and the Management Reports of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft and the Auditor's Reports have been translated into English. In case of different interpretations the German original is valid.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€ in thousands	Note	2023/24	2022/23
Revenue	1	1,549,779	1,791,344
Cost of sales	2	(1,366,924)	(1,516,604)
Gross profit		**182,855**	**274,740**
Distribution costs	2	(49,285)	(52,911)
General and administrative costs	2	(65,051)	(72,341)
Other operating income	4	44,256	60,409
Other operating costs	4	(81,654)	(63,654)
Other operating result[1]		(37,398)	(3,245)
Operating result		**31,121**	**146,243**
Finance income	5	39,605	58,314
Finance costs	5	(90,041)	(36,716)
Finance costs - net		**(50,436)**	**21,598**
(Loss)/Profit before tax		**(19,315)**	**167,841**
Income taxes	6	(17,379)	(31,197)
(Loss)/Profit for the year		**(36,694)**	**136,644**
Attributable to owners of hybrid capital		17,500	18,782
Attributable to owners of the parent company		(54,194)	117,862
Earnings per share attributable to equity holders of the parent company (in € per share):	26		
- basic		(1.39)	3.03
- diluted		(1.39)	3.03

[1] Prior year adjusted in accordance with section F. of General Information of the Notes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in thousands		2023/24	2022/23
(Loss)/Profit for the year		**(36,694)**	**136,644**
Items to be reclassified:			
Currency translation differences, net of tax		(114,154)	(143,188)
Gains/(losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax		(6,059)	4,572
Items not to be reclassified:			
Remeasurement of post-employment obligations, net of tax		(999)	3,028
Other comprehensive (loss) for the year		**(121,212)**	**(135,588)**
Total comprehensive (loss)/income for the year		**(157,906)**	**1,056**
Attributable to owners of hybrid capital		17,500	18,782
Attributable to owners of the parent company		(175,406)	(17,726)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in thousands	Note	31 Mar 2024	31 Mar 2023
ASSETS			
Property, plant and equipment	7	3,394,921	2,679,293
Intangible assets	8	20,095	24,794
Financial assets	12	16,799	27,694
Deferred tax assets	6	26,349	19,911
Other non-current assets	9	18,076	48,559
Non-current assets		**3,476,240**	**2,800,251**
Inventories	10	160,774	145,383
Trade and other receivables and contract assets	11	328,137	394,381
Financial assets	12	26,928	25,141
Current income tax receivables		6,328	4,970
Cash and cash equivalents	13	676,490	791,738
Current assets		**1,198,657**	**1,361,613**
Total assets		**4,674,897**	**4,161,864**
EQUITY			
Share capital	22	141,846	141,846
Other reserves	23	(68,891)	52,321
Hybrid capital	24	347,956	347,956
Retained earnings		545,668	615,402
Equity attributable to owners of the parent company		**966,579**	**1,157,525**
Total equity		**966,579**	**1,157,525**
LIABILITIES			
Financial liabilities	15	1,605,036	1,033,346
Contract liabilities	16	896,980	607,243
Provisions for employee benefits	17	51,796	50,923
Deferred tax liabilities	6	1,685	4,763
Other liabilities	14	72,781	66,278
Non-current liabilities		**2,628,278**	**1,762,553**
Trade and other payables	14	525,328	558,545
Financial liabilities	15	518,189	662,433
Contract liabilities	16	14,550	–
Current income tax payables		6,013	4,315
Other provisions	18	15,960	16,493
Current liabilities		**1,080,040**	**1,241,786**
Total liabilities		**3,708,318**	**3,004,339**
Total equity and liabilities		**4,674,897**	**4,161,864**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in thousands	2023/24	2022/23
Operating result	**31,121**	**146,243**
Depreciation, appreciation, amortisation and impairment of property, plant and equipment and intangible assets	276,367	270,473
Gains/losses from the sale of fixed assets	97	2,542
Changes in non-current provisions	1,434	(3,356)
Changes in non-current contract liabilities	273,847	136,944
Non-cash expense/(income), net	(28,836)	(34,627)
Interest paid	(59,113)	(23,023)
Interest received	25,511	12,311
Income taxes paid	(24,233)	(35,498)
Cash flow from operating activities before changes in working capital	**496,195**	**472,009**
Inventories	(19,958)	41,076
Trade and other receivables and contract assets	87,999	4,476
Trade and other payables	89,308	(51,774)
Other provisions	(164)	10,583
Cash flow from operating activities	**653,380**	**476,370**
Capital expenditure for property, plant and equipment and intangible assets	(858,791)	(1,100,973)
Proceeds from the sale of property, plant and equipment and intangible assets	3,413	104,811
Capital expenditure for financial assets	17,610	(61,323)
Proceeds from the sale of financial assets	11,783	12,624
Cash flow from investing activities	**(825,985)**	**(1,044,861)**
Proceeds from borrowings	507,673	340,085
Repayments of borrowings	(445,046)	(54,696)
Repayments of hybrid capital	–	(41,393)
Proceeds from government grants	22,167	21,404
Dividends paid	(15,540)	(34,965)
Hybrid cupon paid	(17,500)	(19,466)
Cash flow from financing activities	**51,754**	**210,969**
Change in cash and cash equivalents	**(120,851)**	**(357,522)**
Cash and cash equivalents at beginning of the year	791,738	1,119,921
Exchange gains on cash and cash equivalents	5,603	29,339
Cash and cash equivalents at the end of the year	**676,490**	**791,738**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in thousands	Share capital	Other reserves	Hybrid capital	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 Mar 2022	**141,846**	**187,909**	**388,849**	**533,689**	**1,252,293**	**–**	**1,252,293**
Profit for the year	–	–	–	136,644	136,644	–	136,644
Other comprehensive income for the year	–	(135,588)	–	–	(135,588)	–	(135,588)
thereof currency translation differences, net of taxes	–	*(143,188)*	–	–	*(143,188)*	–	*(143,188)*
thereof remeasurement of post-employment obligations, net of tax	–	*3,028*	–	–	*3,028*	–	*3,028*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*4,572*	–	–	*4,572*	–	*4,572*
Total comprehensive income for the year 2022/23	**–**	**(135,588)**	**–**	**136,644**	**1,056**	**–**	**1,056**
Dividends paid relating to 2021/22	–	–	–	(34,965)	(34,965)	–	(34,965)
Repayment hybrid capital	–	–	(40,893)	(500)	(41,393)	–	(41,393)
Hybrid cupon paid	–	–	–	(19,466)	(19,466)	–	(19,466)
31 Mar 2023	**141,846**	**52,321**	**347,956**	**615,402**	**1,157,525**	**–**	**1,157,525**
Loss for the year	–	–	–	(36,694)	(36,694)	–	(36,694)
Other comprehensive income for the year	–	(121,212)	–	–	(121,212)	–	(121,212)
thereof currency translation differences, net of tax	–	*(114,154)*	–	–	*(114,154)*	–	*(114,154)*
thereof remeasurement of post-employment obligations, net of tax	–	*(999)*	–	–	*(999)*	–	*(999)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*(6,059)*	–	–	*(6,059)*	–	*(6,059)*
Total comprehensive income for the year 2023/24	**–**	**(121,212)**	**–**	**(36,694)**	**(157,906)**	**–**	**(157,906)**
Dividends paid relating to 2022/23	–	–	–	(15,540)	(15,540)	–	(15,540)
Hybrid cupon paid	–	–	–	(17,500)	(17,500)	–	(17,500)
31 Mar 2024	**141,846**	**(68,891)**	**347,956**	**545,668**	**966,579**	**–**	**966,579**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. GENERAL INFORMATION

A. General

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft (hereinafter referred to as “the Company”, and with its subsidiaries referred to as “the Group”) was incorporated in Austria. The Company is headquartered in Austria, Fabriksgasse 13, 8700 Leoben-Hinterberg.

The Group manufactures and distributes printed circuit boards and provides related services in the segments of Electronics Solutions, Microelectronics and Others. The products are manufactured in the European and Asian markets and are directly distributed to original equipment manufacturers (OEM) as well as to contracted electronic manufacturers (CEM).

Since 20 May 2008, the Company has been listed in the Prime Market segment of the Vienna Stock Exchange, Austria, and, after a period of double listing on the previous exchange in Frankfurt am Main, Germany, has been traded exclusively on the Vienna Stock Exchange since 15 September 2008. Prior to changing stock exchange, the Company had been listed on the Frankfurt Stock Exchange since 16 July 1999. Since 19 March 2018, the Company’s shares have been included in the Austrian ATX index. According to Section 245a of the Austrian Commercial Code (UGB), the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations (IFRIC and SIC) of the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

B. Accounting and measurement policies

The consolidated financial statements have been prepared under the historical cost convention, except for securities and derivative financial instruments and the portion of trade receivables that is assigned to banks in the following month as part of factoring agreements, these are measured at their fair values.

a. Consolidation principles

The balance sheet date for all consolidated companies is 31 March 2024, with the following exceptions: due to the legal situation in China, the financial year of AT&S (China) Company Limited and AT&S (Chongqing) Company Limited corresponds to the calendar year (balance sheet date: 31 December 2023), meaning that they were consolidated based on the interim financial statements as of 31 March 2024.

The consolidated financial statements were approved by the Management Board on 13 May 2024. The separate financial statements of the Company, which are included in the consolidation after reconciliation to the applicable accounting standards, will be presented for approval to the Supervisory Board on 29 May 2024. The separate financial statements of the Company can be modified by the Supervisory Board and, in case of presentation to the Annual General Meeting, by the Company’s shareholders in a way that might also affect the presentation of the consolidated financial statements.

Group of consolidated entities The Company controls an entity when the Group is exposed to risks or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity. In addition to the Company itself, the consolidated financial statements comprise the following fully consolidated subsidiaries:

- AT&S Asia Pacific Limited, Hong Kong, China (hereinafter referred to as AT&S Asia Pacific), share 100%
- AT&S (China) Company Limited, China (hereinafter referred to as AT&S China), 100% subsidiary of AT&S Asia Pacific
- AT&S (Chongqing) Company Limited, China (hereinafter referred to as AT&S Chongqing), 100% subsidiary of AT&S Asia Pacific
- AT&S Japan K.K., Japan, 100% subsidiary of AT&S Asia Pacific
- AT&S (Taiwan) Co., Ltd., Taiwan (hereinafter referred to as AT&S Taiwan), 100% subsidiary of AT&S Asia Pacific
- AT&S India Private Limited, India (hereinafter referred to as AT&S India), share 100%
- AT&S Korea Co., Ltd., South Korea (hereinafter referred to as AT&S Korea), share 100%

- AT&S Americas LLC, USA (hereinafter referred to as AT&S Americas), share 100%
- AT&S Deutschland GmbH, Germany (hereinafter referred to AT&S Deutschland), share 100%
- AT & S Skandinavia AB, Sweden (hereinafter referred to as AT&S Sweden), share 100%
- AT&S Austria Technologie & Systemtechnik (Malaysia) SDN. BHD. (hereinafter referred to AT&S Malaysia), share 100%

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the equity interests issued and the liabilities incurred and/or assumed at the acquisition date. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

For each business combination, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets and, accordingly, recognises the full or proportional goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

When the Group ceases to have control or significant influence over a company, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the fair value determined at the initial recognition of an associate, joint venture or financial asset. In addition, any amounts recognised in other comprehensive income in respect of that entity are accounted for as if the parent company had directly disposed of the related assets or liabilities.

Methods of consolidation All significant intercompany balances and transactions have been eliminated so that the consolidated financial statements present the accounting information of the Group as if it were one single company.

Capital consolidation is made in accordance with IFRS 3 "Business Combinations" and IFRS 10 "Consolidated Financial Statements". Intercompany accounts receivable and payable as well as expenses and income are eliminated. Unless immaterial, intercompany results in non-current assets and inventories are eliminated. Furthermore, uniform accounting and measurement methods are applied to all consolidated subsidiaries.

b. Segment reporting

The definition of operating segments and the presentation of segment results are based on the management approach and follow internal reports to the Management Board as the chief operating decision-maker, i.e. the body that decides on the allocation of resources to the individual segments. An operating segment is a component of an entity that engages in business activities and whose operating results are reviewed regularly by the entity's chief operating decision-maker. Business activities involve earning revenues and incurring expenses, and these may also relate to business transactions with other operating segments of the entity. Separate financial information is available for the individual operating segments.

The introduction of a new Group-wide organisational structure in the financial year 2023/24 has led to a change in the segment structure. As of 1 April 2023, internal reporting to the Management Board of AT&S as the chief operating decision maker has been adapted accordingly. The corresponding prior-year comparative period was adjusted.

The AT&S Group structures its operating activities into the following segments:

- Electronics Solutions
- Microelectronics
- Sonstige

The two new segments are now structured based on technology. The Electronics Solutions segment comprises the areas of printed circuit boards and will also increasingly cover the modules and embedding business through the development of high-tech solutions. The Microelectronics segment comprises the production of IC substrates for PCs and servers.

Others includes product design services, and corporate and holding activities.

c. Foreign currencies

The Group's presentation currency is the euro (€). The functional currency of the foreign subsidiaries is the respective local currency.

Foreign subsidiaries With the exception of equity positions (historical exchange rate), the balance sheets of AT&S India, AT&S China, AT&S Asia Pacific, AT&S Japan, AT&S Korea, AT&S Americas, AT&S Chongqing, AT&S Malaysia, AT&S Taiwan, and AT&S Sweden are translated at the exchange rates on the balance sheet date. The profit or loss statements are translated at the average exchange rates of the financial year. The effect of changes in the exchange rate with regard to the foreign subsidiaries' net assets is recognised directly in equity.

Foreign currency transactions In the financial statements of each of the Group's entities, foreign currency items are translated at the exchange rates prevailing on the day of the transaction. Monetary items are translated at the respective exchange rate ruling at the balance sheet date; non-monetary items which were recognised according to the historical cost principle are carried at the rate of their initial recognition. Translation adjustments from monetary items, with the exception of financial assets classified as "at fair value through other comprehensive income", are recognised in profit or loss.

	Closing rate			Average rate		
	31 Mar 2024	31 Mar 2023	Change in %	01 Apr 2023 - 31 Mar 2024	01 Apr 2022 - 31 Mar 2023	Change in %
Chinese yuan renminbi	7.7940	7.4738	4.3%	7.7648	7.1498	8.6%
Hong Kong dollar	8.4364	8.5378	(1.2%)	8.4918	8.1995	3.6%
Malaysian ringgit	5.0928	4.7917	6.3%	5.0202	4.6329	8.4%
Indian rupee	89.8800	89.2900	0.7%	89.7169	83.8214	7.0%
Japanese yen	163.1400	145.0400	12.5%	156.9000	140.8161	11.4%
South Korean won	1,451.3700	1,417.9600	2.4%	1,433.9538	1,361.4682	5.3%
Swedish Krone	11.5527	11.2582	2.6%	11.4902	10.8021	6.4%
Taiwan dollar	34.5069	33.1537	4.1%	34.0232	31.6838	7.4%
US dollar	1.0779	1.0875	(0.9%)	1.0849	1.0465	3.7%

d. Revenue recognition

Revenue comprises the fair value of considerations received in the course of the Group's ordinary activities. Revenue is recognised net of VAT, discounts and price reductions, and after the elimination of intercompany sales. Revenue is realised as follows:

Revenue from product sales In accordance with IFRS 15, revenue must be recognised when control over agreed goods and services passes to the customer and the customer obtains a benefit from them. Revenue can be recognised at a point in time or over time. When products are manufactured specifically tailored to the customer's needs and there is consequently no alternative use for such products and the entity has an enforceable right to payment for performance completed to date including a margin, control of these products passes to the customer according to IFRS 15.35 c. Some of the AT&S Group's customers meet these criteria; therefore revenue is recognised over time in such cases. Progress is measured based on the cost incurred to date in relation to total cost.

In cases where customers do not meet these criteria, revenue is recognised at a point in time when control over delivery has passed to the buyer (depending on the agreed incoterms).

e. Income taxes

The income tax burden is based on the profit for the year and includes deferred income taxes.

The Group provides for deferred income taxes using the balance-sheet-oriented method. Under this method, the expected tax effect of differences arising between the carrying amounts in the consolidated financial statements and the taxable carrying amounts are taken into account by recognising deferred tax assets and tax liabilities. These differences will be reversed in the future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted on the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A future change in tax rates would also have an impact on the deferred tax assets capitalised at the current balance sheet date.

Deferred income taxes arise from the measurement of specific assets and liabilities, as well as from tax loss carryforwards.

Deferred taxes on not yet realised profits/losses of equity instruments, post-employment obligations and on not yet realised profits/losses from hedging instruments for cash flow hedges that are recognised in equity are also directly recognised in equity.

In accordance with IFRS, deferred income tax assets on loss carryforwards have to be recognised to the extent that it is probable that they will be utilised against future taxable profits.

Deferred taxes are not recognised for temporary differences in connection with holdings in subsidiaries provided that the Group is able to control the timing of the reversal of the temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future.

f. Property, plant and equipment

Items of property, plant and equipment are measured at cost. Expenditures directly attributable to an acquisition and the subsequent expenditure are capitalised; repairs and maintenance costs, however, are expensed as incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition or production costs of this asset in accordance with IAS 23.

From the time of their availability for use, the assets are depreciated on a straight-line basis over their expected useful lives. Depreciation is charged on a pro rata temporis basis. Land is not subject to depreciation.

Scheduled depreciation is based on the following useful lives applicable throughout the Group:

Plants and buildings	10–50 years
Machinery and technical equipment	4–15 years
Tools, fixtures, furniture and office equipment	3–15 years

Depreciation periods and methods are reviewed annually at the end of the financial year.

Profits or losses resulting from the closure or retirement of non-current assets, which arise from the difference between the net realisable value and the carrying amounts, are recognised in profit or loss.

g. Leases

A lease is a contract that transfers the right to use an asset (leasing asset) for an agreed period of time against a consideration. Since 1 April 2019, the Group recognises, for all leases, right-of-use assets in the statement of financial position and liabilities for the payment obligations entered into at present value. Lease payments are discounted at the rate implicit in the lease if that can be readily determined. Otherwise, the incremental borrowing rate is used. Lease liabilities include fixed payments, variable index-linked payments, and the exercise price of a purchase option, if the exercise is considered to be sufficiently certain.

The subsequent measurement is made at amortised cost. Right-of-use assets are depreciated on a straight-line basis over the period of the contract.

For leases in which the underlying asset is of low value (up to € 5 thousand) and for short-term leases (up to 12 months or less) the practical expedients are used and payments are recognised on a straight-line basis as an expense in the statement of profit or loss. In addition, the provisions are not applied to leases of intangible assets.

In particular, leases of real estate include extension and termination options. When determining the term of the contract, all facts and circumstances offering an economic incentive to exercise extension options or not to exercise termination options are taken into account. Changes in the term resulting from the exercise or non-exercise of such options are only considered if they are sufficiently certain.

The Group only acts as a lessee. Transactions in which the Group is the lessor do not take place.

h. Intangible assets

Patents, trademarks, and licenses Expenditure on acquired patents, trademarks, and licenses is capitalised at cost, including incidental acquisition expenses, and amortised on a straight-line basis over the asset's useful life, generally between two and ten years. Amortisation terms and methods are reviewed annually at the end of the financial year.

Research and development costs Research costs are expensed as incurred and charged to cost of sales. Development costs are also expensed as incurred. An intangible asset arising from development is recognised if, and only if, an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits is verifiable.

- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Capitalised development projects include all the directly attributable costs incurred as a result of development processes. Borrowing costs are capitalised if the development project is a qualifying asset in accordance with IAS 23. Development costs are amortised on a straight-line basis over a useful life from six to seven years, which is derived from the expected sales periods.

i. Impairment losses and appreciation of property, plant and equipment, and intangible assets

The Group regularly reviews property, plant and equipment and intangible assets for possible impairment. If evidence for impairment exists, an impairment test is carried out without delay. Intangible assets in the development phase are tested annually for impairment. If the recoverable amount of the respective asset is below its carrying amount, an impairment loss amounting to the difference is recognised. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use corresponds to the estimated future cash flows expected from the continued use of the asset and its disposal at the end of its useful life. The discount rates applied correspond to the weighted cost of capital based on externally available capital market data that are typical in the industry and have been adapted to the specific risks.

If the reason for the impairment recognised in the past no longer exists, with the exception of goodwill, an appreciation up to amortised cost is made.

j. Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less variable costs necessary to make the sale. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, and related production overheads. Interest on borrowed capital is not recognised.

k. Trade and other receivables and contract assets

Receivables not including a material financing component are initially measured at the transaction price in accordance with IFRS 15 and subsequently recognised at amortised cost, if necessary less impairment for expected and actual credit losses. The receivables are measured in accordance with the simplified model (lifetime expected credit losses). For this purpose, the required impairment is determined within the scope of a provision matrix by analysing historical data and estimating future developments. All receivables are due within less than one year and therefore do not include a financing component in the form of interest.

l. Financial assets

Financial assets are recognised and derecognised using settlement date accounting. The fair values recognised in the statement of financial position generally correspond to market prices of financial assets. Except for financial assets at fair value through profit or loss, they are initially recognised including transaction costs.

Financial assets are divided into two categories in accordance with IFRS 9, those which are valued at amortised cost and those valued at fair value. When financial assets are valued at fair value, expenses and income are recognised through profit or loss or other comprehensive income.

At amortised cost This category includes all financial assets held as part of a business model whose objective is the collection of contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the time of acquisition, the financial asset is measured at fair value in accordance with IFRS 15 (contract assets and trade receivables). The financial asset is subsequently measured at amortised cost less any impairment. Impairments are recognised through profit or loss.

AT&S applies the simplified impairment model for trade receivables and contract assets from contracts with customers, which takes into account expected credit losses during the full lifetime. Credit loss is determined based on a provision matrix created based on a rating of the customers and past due receivables.

Financial assets at fair value through other comprehensive income This category includes those financial assets held as part of a business model whose objective is the collection of contractual cash flows and the sale of financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the AT&S Group, trade receivables are in part sold to banks as part of factoring agreements. The part of receivables as of 31 March which is sold to banks at nominal value after this date is measured at fair value through other comprehensive income. The measurement at fair value has no significant impact on the consolidated financial statements. Therefore it is assumed that the fair value corresponds to the previous measurement standard of amortised cost.

All equity instruments for which IFRS 9 has to be applied are recognised at fair value; value changes are recognised through profit or loss. If an equity instrument is not held for trading, an entity can make the irrevocable decision at initial recognition to recognise value changes through OCI. Then, only income from dividends is recognised through profit or loss, insofar as they do not represent a capital repayment.

In accordance with IFRS 9, the irrevocable option of measurement through other comprehensive income was used. Value changes will consequently continue to be recognised in other comprehensive income.

Financial assets at fair value through profit or loss This category includes financial assets which were classified neither at amortised cost nor at fair value through other comprehensive income. At the time of their acquisition, they are stated at fair value, excluding transaction costs, and, in subsequent periods, at their respective fair values. Realised and unrealised gains and losses are recognised in profit or loss in “Finance costs - net”. This relates primarily to securities held for trading. Derivative financial instruments also fall into this category, unless hedge accounting is applied (refer to “Derivative financial instruments”).

Derivative financial instruments Where possible, the Group uses derivative financial instruments to hedge against interest fluctuations. These instruments mainly include interest rate swaps. They are entered into in order to protect the Group against interest rate fluctuations. The Group does not hold any financial instruments for speculative purposes.

The first-time recognition at the conclusion of the contract and the subsequent measurement of derivative financial instruments are made at their fair value. AT&S continues to apply the provisions of IAS 39 with respect to hedge accounting. “Hedge accounting” in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”, according to which changes in fair values of hedging instruments are recognised in equity, is applied when there is an effective hedging relationship pursuant to IAS 39 for hedging instruments for cash flow hedges. The assessment of whether the derivative financial instruments used in the hedging relationship are highly effective in offsetting the changes in cash flows of the hedged item is documented at the inception of the hedging relationship and on an ongoing basis.

The Group only discontinues recognition as a designated hedging relationship if the hedging relationship (or part of it) no longer meets the qualification criteria (subject to recalibration). In principle, this also includes cases in which the hedging instrument expires, is sold, terminated, or exercised. Termination is carried out prospectively. All gains or losses recognized in other comprehensive income and accumulated in the cash flow hedge reserve at this time remain in equity and are reclassified to the income statement when the expected transaction occurs.

If a derivative does not qualify for hedge accounting, unrealized gains and losses from derivative financial instruments are recognized in the income statement in the financial result.

Interest and dividend income Interest income is recognised on a pro rata temporis basis, taking into account the effective interest rate of the asset. Dividend income from financial assets is recognised in profit or loss when the Group's right to receive payments is established.

Impairment of financial assets The new impairment expected credit loss (ECL) model according to IFRS 9 has to be applied for financial assets which are measured at amortised cost, for contract assets and debt instruments measured at fair value through OCI.

In accordance with IFRS 9, impairment must be determined using either the twelve-month model, which takes into account expected credit losses within the next twelve months, or the lifetime expected credit loss model which takes into account expected credit losses that result from possible default events within the whole lifetime.

AT&S applies the simplified impairment model for trade receivables and contract assets from contracts with customers, which takes into account expected credit losses during the full lifetime of the asset. The credit loss is determined based on a provision matrix created based on a rating of the customers and overdue of the receivables.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash, time deposits, deposits held at call with banks, and short-term, highly liquid investments with an original maturity of up to three months (commercial papers and money market funds).

n. Non-controlling interests

The Company does not have any non-controlling interests. The profit for the year and other comprehensive income are attributed to the owners of the parent company and the holders of the hybrid capital.

o. Provisions

Provisions are recognised if the Group has a legal or de facto obligation to third parties, which is based on past events, where it is probable that this will result in an outflow of resources and the amount can be estimated reliably. The provisions are remeasured at each balance sheet date and their amounts are adjusted accordingly.

Non-current provisions are reported at the discounted amount to be paid at each balance sheet date if the interest effect resulting from the discounting is material.

p. Provisions for employee benefits

Pension obligations The Group operates various defined contribution and defined benefit pension schemes.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a special purpose entity (fund). These contributions are charged to staff costs. No provision has to be set up, as there are no additional obligations beyond the fixed amounts.

For individual members of the Management Board and certain executive employees, the Group has defined benefit plans that are valued by qualified and independent actuaries at each balance sheet date. The Group's obligation is to meet the benefits committed to current and former members of the Management Board and executive employees as well as their dependents. The pension obligation calculated according to the projected unit credit method is reduced by the plan assets of the fund in the case of a funded pension scheme. The present value of the future pension benefit is determined based on years of service, expected remuneration, and pension adjustments.

To the extent that the plan assets of the fund do not cover the obligation, the net liability is accrued under pension provisions. If the net assets exceed the pension obligation, the exceeding amount is capitalised under "Overfunded pension benefits".

Staff costs recognised in the respective financial year are based on expected values and include the service costs. Net interest on net liabilities is recognised in "Finance costs - net". Remeasurements of the net liability are recognised in other comprehensive income and comprise gains and losses arising from the remeasurement of post-employment obligations.

Provisions for severance payments Pursuant to Austrian labour regulations, severance payments have to be paid primarily on termination of employment by the employer or on the retirement of an employee. The liabilities are measured by qualified and independent actuaries at each balance sheet date.

For employees who joined Austrian companies up to and including 2002, the Company has direct obligations that account for the major part of the Group's severance payment obligations. In accordance with IAS 19, these liabilities are calculated using the projected unit credit method as described above and represent severance payment obligations not covered by plan assets. For employees who joined the Company as of or after 1 January 2003, the severance payment obligation is met by regular contributions to a staff provision fund ("Mitarbeitervorsorgekasse"). These contributions are included in staff costs. The Company has no further payment obligations once the contributions have been paid.

For employees of the Company in India, obligations for severance payments are covered by life insurance policies. Furthermore, severance payment obligations exist for employees in South Korea and China. These obligations are measured in accordance with IAS 19 using the projected unit credit method as described above and represent severance payment obligations not covered by plan assets.

Other employee benefits Other employee benefits include provisions for anniversary bonuses and relate to employees in Austria and China. Furthermore, any other employee entitlements are also recognized here, provided they have a long-term nature.

Anniversary bonuses are special one-off payments stipulated in the Collective Agreement which are dependent on remuneration and duration of service. Eligibility is determined by a certain minimum length of employment. The respective liability is calculated in accordance with the projected unit credit method based on the same parameters used for severance payments.

Staff costs recognised in the respective financial year include entitlements acquired and the actuarial results. The interest component is recognised in "Finance costs - net". The liabilities are measured by qualified and independent actuaries at each balance sheet date.

q. Stock appreciation rights

The Group introduced a long-term incentive programme based on stock appreciation rights SARs. Stock appreciation rights relate to value increases in share prices based on the performance of the share price and are settled in cash. These rights are accounted for in accordance with IFRS 2 “Share-based Payment”.

The fair value of the employee services rendered as consideration for the granting of SARs is recognised as an expense. Upon initial recognition and at every balance sheet date until the liabilities are settled, SAR liabilities are measured at fair value through profit or loss, applying the option price model. Reference is made to Note 14 “Trade and other payables”.

r. Liabilities

Financial liabilities are initially measured at fair value less transaction cost and, in subsequent periods, at amortised cost using the effective interest rate method. Foreign currency liabilities are translated at the average exchange rate prevailing at the balance sheet date.

s. Contract liabilities

Contract liabilities are initially recognised at fair value less transaction costs and measured at amortised cost in subsequent periods. Contract liabilities in foreign currencies are measured at the average exchange rate at the time of initial recognition as they are not monetary items. If a significant financing component exists, interest is accrued on the liability.

t. Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to investments in property, plant and equipment are included in liabilities as deferred government grants; they are recognised in profit or loss on a straight-line basis over the expected useful life of the related assets. Government grants relating to costs and property, plant and equipment are recognised in profit or loss under other operating result.

u. Contingent liabilities, contingent assets, and other financial obligations

Contingent liabilities are not recognised in the statement of financial position, but are disclosed in Note 21 “Contingent liabilities and other financial commitments”. They are not disclosed if an outflow of resources with economic benefit is unlikely.

A contingent asset is not recognised in the consolidated financial statements but disclosed if the inflow of an economic benefit is likely.

v. First-time adoption of accounting standards

The following new and/or amended standards and interpretations were applied for the first time in the financial year 2023/24 and pertain to the International Financial Reporting Standards (IFRS) as adopted by the EU.

- IFRS 17: Insurance Contracts
- IAS 1: Amendments to Disclosure of Accounting Policies and Estimates
- IAS 8: Amendments to Disclosure of Accounting Policies and Estimates
- IAS 12: Deferred Tax related to Leases and Decommissioning Obligations
- IAS 12: International Tax Reform – Pillar Two Model Rules

No material effects resulted from the amended standards.

w. Future amendments to accounting standards and impact of first-time adoption

The IASB and IFRIC issued additional standards and interpretations not yet effective in the financial year 2023/24.

These have already been adopted in part by the European Union. The following standards and interpretations had already been published by the time these consolidated financial statements were prepared and are not yet effective; they have not been adopted early in the preparation of these consolidated financial statements:

	Standard/Interpretation (Content of the regulation)	Effective date [1]	EU [2]	Expected impacts on the consolidated financial statements
IFRS 14	Regulatory Deferral Accounts	Waiting for final standard	No	No major changes are expected
IAS 1	Classification of Liabilities as Current or Non-current	01/01/2024	No	No major changes are expected
IAS 1	Long term liabilities with constraints	01/01/2024	Yes	No major changes are expected
IAS 21	Effects of Changes in Foreign Exchange Rates: Lack of Exchageability	01/01/2025	No	No major changes are expected
IAS 28, IFRS 10	Investments in Associates: Sales or contributions of assets between an investor and its associate/joint venture	Postponed indefinitely	No	No major changes are expected
IAS 7/ IFRS 7	Supplier Finance Arrangements	01/01/2024	No	No major changes are expected
IFRS 16	Lease liabilities in a sale and lease back transaction	01/01/2024	Yes	No major changes are expected

[1] The Group intends to apply the new regulations for the first time in the fiscal year beginning subsequent to the effective date.
[2] Status of adoption by the EU.

C. Uncertainties in accounting estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires the management to make accounting judgements and assumptions regarding future developments that may have a significant influence on the recognition and the value of assets and liabilities, the recognition of other obligations as of the balance sheet date and the recognition of income and expenses during the financial year.

The following assumptions bear a considerable risk of causing a material adjustment to assets and liabilities in future periods:

Recoverability of assets The assessment of the recoverability of intangible assets and property, plant and equipment is based on forward-looking assumptions. As part of strategic business planning, the current overall economic conditions, the economic environment and the most recent estimates regarding market developments are considered in planning future cash flows. Actual results may differ from these estimates in the future. Management believes that the estimates are reasonable. Reference is made to Note 7 “Property, plant and equipment” and Note 8 “Intangible assets”.

Investment projects In Kulim, Malaysia, major investments have been undertaken to expand capacity. At the site in Leoben-Hinterberg, investments have been made in a new research and development centre for substrate and packaging solutions for the global semiconductor industry. Unexpected technological developments, changes in demand, restrictions through third-party patents, shorter technology cycles or problems in technical implementation may have severe adverse effects on the intrinsic value of such investments. These effects can generally impact all current AT&S business activities. If there are any indications of such adverse effects, impairment tests for these investments are performed as required, which may lead to high impairment requirements due to the high investments made.

Calculation of the present values of projected employee benefit obligations The present value of non-current employee benefit obligations depends on various factors such as interest rate, retirement age, life expectancy, and future increases in remuneration (refer to I.B.o. “Provisions for employee benefits”).

These actuarial assumptions used to calculate the pension expenses and the expected defined benefit obligations were subjected to stress tests using the following parameters: an increase in the interest rate, in the expected remuneration and/or in future pensions for the Austrian entities by the percentage points stated in the table below would affect the present values of the projected pension and severance payment obligations as follows as at 31 March 2024:

	Interest rate	Increase in remuneration	Increase in pensions
€ in thousands	+0,50 pp	+0,25 pp	+0,25 pp
Pension obligation	(1,149)	48	571
Severance payments	(990)	496	–

A decrease in the same parameters for the Austrian companies would have the following effects on the present value of pension and severance payment obligations as at 31 March 2024:

	Interest rate	Increase in remuneration	Increase in pensions
€ in thousands	-0,50 pp	-0,25 pp	-0,25 pp
Pension obligation	1,273	(47)	(547)
Severance payments	1,063	(481)	–

Reference is made to Note 17 “Provisions for employee benefits”.

Measurement of deferred income tax and current tax liabilities Deferred income tax assets and liabilities are determined using the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A future change in tax rates would also have an impact on the deferred tax capitalized at the balance sheet date.

Deferred taxes on temporary differences and tax loss carryforwards are capitalised where it is probable that future taxable profit will be sufficient to realise deferred tax assets. This assessment requires assumptions and is therefore subject to uncertainties. It is carried out on the basis of corporate planning for a period of five years. Changes in future taxable income can lead to a decrease or increase in deferred tax assets.

Deferred income tax assets in the amount of € 96,752 thousand were not recognized for income tax loss carryforwards in the Group of € 645,012 thousand. If the tax losses were subsequently expected to be realized, these deferred income tax assets would have to be recognized and related tax income would have to be reported. Reference is made to Note 6 “Income taxes”.

Moreover, a different interpretation of tax laws by fiscal authorities could also lead to a change in income tax liabilities.

Minimum Taxation (Pillar 2) With Pillar 2, global minimum taxation for multinational enterprise groups has been implemented. The objective of the global minimum tax is to ensure that corporate groups generating global revenues of at least € 750 million are subject to an effective minimum tax rate of 15 percent in the countries in which they operate. Since AT&S has to apply the regulations for the financial year starting on 1 April 2024 for the first time, an evaluation of the potential effects of the global minimum tax has been carried out based on the current planning for the next financial year. Reference is made to Note 6 "Income taxes".

Other provisions If present obligations resulting from past events exist that lead to an outflow of resources with an economic benefit, these provisions are measured at the amount that is most likely on the basis of reliable estimates. Reference is made to Note 18 "Other provisions".

Contract liabilities The repayment of contract liabilities requires certain assumptions, in particular regarding the timing of their recognition. Assumptions must be made for accruing interest (significant financing component) regarding the underlying interest rate. Reference is made to Note 16 "Contract liabilities".

Other In addition, assumptions are made, if necessary, relating to the measurement of derivative financial instruments, allowances for doubtful accounts receivable, and measurements of inventories.

D. Effect of geopolitical tensions

The electronics industry is characterized by highly integrated transnational supply chains, which are based on the free trade of goods and services. Potential protectionism or growing political tensions may lead to supply chain disruptions and competitive advantages for competitors in certain countries.

The conflict between Ukraine and Russia has an impact on the entire global economy. In addition to the resulting humanitarian disaster, the war also affects the availability of raw materials and energy, which is reflected in their price development. Uncertainty regarding energy supply, especially the supply of electricity, can also have a negative effect on AT&S. To mitigate this risk, measures have been taken to enable the Company to respond quickly if required. In addition, AT&S is working on an energy strategy for all production sites, which includes the sustainability aspect as well as security of supply. Nevertheless, large-scale sanctions and other unexpected geopolitical developments can have negative effects on the business operations of AT&S.

A potential aggravation of the trade conflict between the USA and China could lead to an increase in punitive tariffs on the import of certain goods in both countries as well as trade restrictions for technology companies. From a current perspective, the trade conflict only has an immaterial influence on AT&S. Nevertheless, ongoing monitoring of new trade restrictions and export controls regarding the technologies, raw materials, and equipment underlying AT&S as well as potentially affected customers is necessary.

New escalations in East Asia, in particular between China and Taiwan, but also in Korea, as well as the renewed conflict in the Middle East, can have general impacts on the global supply chain interdependencies. Therefore, it is important to monitor any aggravation of these conflicts which may possibly have a negative impact on operations. The resulting macroeconomic developments may also negatively impact the business of AT&S.

The escalated war between Israel and the Palestinians in the Middle East is leading to additional uncertainty in the global economy. Israel's weight in the global semiconductor market is limited with respect to production. Moreover, AT&S does not work with production companies in Israel and is not dependent on the Israeli market. Nonetheless, the crisis in the Red Sea caused by the Middle East conflict has negative effects on the transportation of goods and materials. At present, there are no major impacts on the business of AT&S; however, the situation is being monitored closely.

E. Effects of the climate crisis

Climate-related risks are also identified as part of ESG risk management. Climate-related changes can lead to an increase in the ambient temperature and a greater frequency of extreme weather events (such as heat waves and droughts), which could result in a limitation of resources (such as water and energy supplies). As a result, either costs could increase (e.g. for heating or cooling) or, in the worst case, production processes could be disrupted if supplies are interrupted. Acute and chronic climate change were therefore classified as relevant risks. To counter these risks, AT&S chooses a climate-resilient business model, obtains the energy required for its production processes from renewable sources wherever possible, and relies on efficient energy management. AT&S counters climate-related risks with the AT&S energy strategy and the associated decarbonisation targets. This energy strategy pursues the goal of covering at least 80% of the Group's energy requirements with renewable energy sources by 2025 and replacing all fossil fuels within the Group's own production sites worldwide by 2030 in order to avoid the direct release of climate-damaging gases within the Group. All these measures will minimize the impact of the climate crisis on the AT&S Group. If risk management measures result in accounting effects (change in useful lives, additional provisions required), these are recognized in the financial statements. This may be the case in particular if statutory measures mean that plants can no longer be used because the emissions are too high and therefore have to be replaced by more modern ones.

In April 2020, the European Commission published detailed definitions of the economic activities that should contribute to climate change mitigation and adaptation. However, the regulations and standards relating to the EU taxonomy not only create uncertainty and increase the cost of compliance in general but also cause high costs for the actual implementation of necessary measures to comply with minimum standards. It is impossible to predict how the regulations will develop in the future. Strict rules will tend to lead to higher costs and thus have a greater negative impact on profitability.

F. Adjustment IAS 8

Due to an incorrect allocation, an adjustment must be made within the other operating result for the financial year 2022/23. This does not change the other operating result. There is only a reclassification between other operating income and other operating costs. The adjustment can be seen in the following table

	01 Apr 2022 - 31 Mar 2023		
€ in thousands	Before IAS 8 adjustment	Adjustment	After IAS 8 adjustment
Other operating income	48,661	11,749	60,409
Other operating costs	-51,906	-11,749	-63,654
Other operating result	**-3,245**	**0**	**-3,245**

II. SEGMENT REPORTING

The segment information presented below is prepared in accordance with the management approach concept as depicted in the Group's internal reporting (refer to Section I.B.b. "Segment Reporting").

The introduction of a new Group-wide organisational structure in the financial year 2023/24 has led to a change in the segment structure. As of 1 April 2023, internal reporting to the Board of AT&S as Chief Operating Decision Maker has been adapted accordingly. The corresponding prior-year comparative period was adjusted.

The reportable segments consist of the business units Electronics Solutions and Microelectronics. In addition to product design services, the Other segment primarily includes the Group's general holding activities. The central operating result performance indicator is the operating result before depreciation and amortisation. The respective reconciliation to Group figures also includes the corresponding consolidation.

Transfers and transactions between the segments are executed at arm's length, as with independent third parties. Segment reporting is prepared in accordance with the principles set out in I.B. "Accounting and measurement policies".

	BU ES (Electronics Solutions)		BU ME (Microelectronics)		Others		Elimination/ Consolidation		Group	
€ in thousands	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Segment revenue	963,058	1,194,928	655,046	675,276	2	–	(68,327)	(78,860)	1,549,779	1,791,344
thereof internal revenue	168	20	68,157	78,840	2	–	(68,327)	(78,860)	–	–
thereof external revenue	962,890	1,194,908	586,889	596,436	–	–	–	–	1,549,779	1,791,344
Operating result before depreciation/amortisation (EBITDA)	**210,230**	**309,978**	**96,092**	**115,689**	**1,166**	**(8,951)**	**–**	**–**	**307,488**	**416,716**
Depreciation/amortisation incl. appreciation	(107,721)	(114,841)	(161,170)	(149,215)	(7,477)	(6,417)	–	–	(276,367)	(270,473)
Operating result (EBIT)	**102,510**	**195,137**	**(65,078)**	**(33,526)**	**(6,311)**	**(15,368)**	**–**	**–**	**31,121**	**146,243**
Finance costs - net									(50,436)	21,598
(Loss)/Profit before tax									**(19,315)**	**167,841**
Income taxes									(17,379)	(31,197)
(Loss)/Profit for the period									**(36,694)**	**136,644**
Property, plant and equipment and intangible assets	585,383	635,294	2,757,050	2,015,976	72,583	52,817	–	–	3,415,016	2,704,087
Additions to property, plant and equipment and intangible assets	85,753	120,801	996,062	1,056,936	28,674	56,348	–	–	1,110,489	1,234,085

Information by geographic region

Revenue broken down by region, based on customers' headquarters:

€ in thousands	2023/24	2022/23
Austria	31,497	27,256
Germany	143,394	186,999
Other European countries	97,549	100,631
China	21,965	4,348
Other Asian countries	82,135	95,584
Americas	1,173,239	1,376,526
Revenue	**1,549,779**	**1,791,344**

71.8% of total revenue (previous year: 75.1%) is attributable to the five largest customers in terms of revenue, where the range is between 2% and 35% (previous year: 2% and 37%).

Property, plant and equipment, and intangible assets broken down by domicile:

€ in thousands	31 Mar 2024	31 Mar 2023
Austria	719,115	248,094
Malaysia	926,969	533,414
China	1,706,272	1,853,501
Others	62,660	69,078
Total	**3,415,016**	**2,704,087**

III. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. Revenue

Revenue of the AT&S Group is generated by selling printed circuit boards and substrates, which are produced by AT&S.

The following table shows the distribution of revenue recognised at a point in time and over time by segment:

	Electronics Solutions		Microelectronics		Group	
€ in thousands	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
External revenue	962,890	1,194,908	586,889	596,436	1,549,779	1,791,344
Type of revenue recognition						
Point in time	444,843	704,246	122,138	71,833	566,981	776,079
Over time	518,047	490,662	464,751	524,603	982,798	1,015,265

2. Types of expenses

The expense types of cost of sales, distribution costs, and general and administrative costs are as follows:

€ in thousands	2023/24	2022/23
Cost of materials	641,196	660,925
Staff costs	371,583	419,579
Depreciation/amortisation	271,503	268,662
Purchased services incl. leased personnel	24,622	29,455
Energy	83,352	89,031
Maintenance (incl. spare parts)	89,244	90,371
Transportation costs	20,615	27,873
Rental and leasing expenses	18,090	15,564
Change in inventories	(83,092)	(29,290)
Legal and consulting fees	13,564	21,179
IT service, third parties	12,111	16,532
Administration services third parties	12,656	15,399
Other	5,816	16,576
Total	**1,481,260**	**1,641,856**

In the financial years 2023/24 and 2022/23, the item "Other" mainly relates to insurance expenses, cleaning costs, travel costs and waste disposal with corresponding recycling revenues.

3. Research and development costs

In the financial year 2023/24, the Group incurred research and development costs in the amount of € 155,446 thousand (previous year: € 183,441 thousand). The stated amounts represent only costs that can be directly allocated and which are recognised in the profit or loss. In these consolidated financial statements, no development costs were capitalised (previous year: € 0 thousand). Reference is made to Note 8 "Intangible assets".

4. Other operating result

€ in thousands	2023/24	2022/23
Amortisation of deferred income - government grant	10,428	9,612
Government grants for expenses	20,459	31,043
Income from exchange differences	7,641	11,749
Miscellaneous other income	5,728	8,005
Other operating income	**44,256**	**60,409**
Start-up losses	(81,640)	(54,689)
Losses from the disposal of non-current assets	(14)	(2,515)
Other costs	–	(6,450)
Other operating costs	**(81,654)**	**(63,654)**
Other operating result	**(37,398)**	**(3,245)**

In the financial years 2023/24 and 2022/23, government grants for expenses mainly relate to export refunds, research and development grants as well as funding for industry and employment development. The item “Miscellaneous other income” in the financial year 2023/24 includes, among other things, the reversal of the part of impending cancellation costs from onerous contracts not needed to be considered in the financial year 2022/23. As in the previous year, it also includes grants for employees and services in kind for miscellaneous projects. The item “Miscellaneous other income” in the financial year 2022/23 is mainly related to income from compensation payments.

As in the financial year 2022/23, start-up losses resulted from the expansion at the plants in Leoben, Austria, Chongqing, China, and Kulim, Malaysia in the financial year 2023/24, and for the financial year 2022/23 additionally at the site in Chongqing, China. The item “Other costs” in the financial year 2022/23 includes, among other things, impending cancellation costs from onerous contracts.

5. Finance costs – net

€ in thousands	2023/24	2022/23
Interest income from financial assets at fair value through profit or loss and financial assets at amortised cost	43	26
Other interest income	25,619	12,285
Realised gains from derivative financial instruments, net	9,001	1,723
Gains from the measurement of derivative financial instruments at fair value, net	–	6,012
Foreign exchange gains, net	4,942	38,268
Finance income	**39,605**	**58,314**
Interest expense on bank borrowings and bonds	(65,070)	(23,935)
Net interest expense on personnel-related liabilities	(2,108)	(432)
Losses from the measurement of derivative financial instruments at fair value, net	(2,982)	–
Other financial expenses	(19,881)	(12,349)
Finance costs	**(90,041)**	**(36,716)**
Finance costs - net	**(50,436)**	**21,598**

In accordance with IAS 23, the item “Interest expense on bank borrowings and bonds” includes capitalised borrowing costs in the amount of € 12,715 thousand (previous year: € 7,211 thousand), net.

6. Income taxes

Income tax expenses are broken down as follows:

€ in thousands	2023/24	2022/23
Current income taxes	24,577	26,088
Deferred taxes	(7,198)	5,109
Total tax expense	**17,379**	**31,197**

The difference between the Group's actual tax expense and the theoretical amount that would arise using the Austrian corporate income tax rate is as follows:

€ in thousands	2023/24	2022/23
(Loss)/Profit before tax	**(19,315)**	**167,841**
Expected tax expense at Austrian tax rate 23.75% (previous year 24.75%)	(4,586)	41,542
Effect of different tax rates in foreign countries	708	(11,419)
Non-creditable foreign withholding taxes	12,548	8,785
Non-capitalized deferred taxes on temporary differences and tax loss carryforwards	4,741	16,592
Effect of the change in tax rate	749	701
Effect of permanent differences	3,125	(24,845)
Effect of taxes from prior periods	94	(159)
Total tax expense	**17,379**	**31,197**

The effect of the change in tax rates mainly results from the gradual reduction of the Austrian corporate tax rate to 23%, which was recognised on non-current deferred tax assets, and from the reduced tax rate of 15% in the subsidiary AT&S China (compared to the regular tax rate of 25% valid in China), which is applicable again.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes and liabilities relate to taxes levied by the same taxation authority. The amounts after offsetting deferred income tax assets against deferred liabilities are as follows:

	31 Mar 2024		31 Mar 2023	
€ in thousands	Assets	Liabilities	Assets	Liabilities
Non-current assets	4,145	(35,282)	5,291	(36,911)
Provisions for employee benefits	6,239	–	5,882	–
Financial liabilities	17,143	–	18,985	–
Income tax loss carryforwards	135,792	–	108,740	–
Deferred income tax from long-term assets/liabilities	**163,319**	**(35,282)**	**138,898**	**(36,911)**
Inventories	22,825	–	25,681	–
Trade and other receivables and contract assets	22	(20,482)	15	(23,722)
Trade and other payables	12,489	–	12,941	–
Others	1,479	(3,207)	1,302	(4,351)
Contract liabilities	–	(10,607)	–	(3,905)
Temporary differences arising from shares in subsidiaries	–	(1,635)	–	(1,657)
Deferred income tax from short-term assets/liabilities	**36,815**	**(35,931)**	**39,939**	**(33,635)**
Deferred income tax assets/liabilities	**200,134**	**(71,213)**	**178,837**	**(70,546)**
Unrecognised deferred taxes	(104,257)	–	(93,143)	–
Deferred income tax assets/liabilities, offsetting against the same taxation authority	(69,528)	69,528	(65,783)	65,783
Deferred income tax assets/liabilities, net	**26,349**	**(1,685)**	**19,911**	**(4,763)**

As of 31 March 2024, the Group has income tax loss carryforwards amounting to a total of € 822,784 thousand (previous year: € 660,165 thousand). For loss carryforwards amounting to € 645,012 thousand (previous year: € 538,885 thousand) included in this figure, deferred income tax assets in the amount of € 96,752 thousand (previous year: € 80,833 thousand) were not recognised since it is unlikely that they will be realised in the foreseeable future. Deferred tax assets from loss carryforwards were recognized in the amount of € 39,040 thousand (previous year: € 27,907 thousand). The tax loss carryforwards not recognised relate to China. In addition, for temporary differences amounting to € 50,033 thousand (previous year: € 82,067 thousand) included in this figure, deferred income tax assets in the amount of € 7,505 thousand (previous year: € 12,310 thousand) were not recognised since it is likewise unlikely that they will be realised in the foreseeable future. Deferred tax assets on deductible temporary differences before netting were therefore recognized in the amount of € 56,837 thousand (previous year: € 57,787 thousand).

Deferred taxes on temporary differences and tax loss carryforwards amounting to € 25,188 thousand (previous year: € 18,673 thousand) are capitalised although the companies concerned reported tax losses in the current financial year or in the previous year. Based on present tax planning, AT&S assumes the future taxable income of the companies will be sufficient to realise these deferred tax assets.

The tax loss carryforwards, which were not recognised, can be carried forward as follows:

€ in thousands	2023/24	2022/23
Carried forward up to 5 years	233,878	140,676
Carried forward between 6 and 10 years	346,368	398,209
Carried forward more than 10 years	64,766	–
Total unrecognised tax loss carryforwards	**645,012**	**538,885**

Deferred income taxes (net) changed as follows:

€ in thousands	2023/24	2022/23
Carrying amount at the beginning of the financial year	15,148	22,531
Currency translation differences	82	21
Income/Expense recognised in profit or loss	7,198	(5,109)
Income taxes recognised in equity	2,236	(2,295)
Carrying amount at the end of the financial year	**24,664**	**15,148**

Income taxes in connection with the components of other comprehensive income are as follows:

	2023/24			2022/23		
€ in thousands	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes
Currency translation differences	(114,154)	–	(114,154)	(143,188)	–	(143,188)
Gains/(losses) on the measurement of hedging instruments for cash flow hedges	(7,886)	1,827	(6,059)	5,954	(1,382)	4,572
Remeasurements of post-employment obligations	(1,408)	409	(999)	3,941	(913)	3,028
Other comprehensive income	**(123,448)**	**2,236**	**(121,212)**	**(133,293)**	**(2,295)**	**(135,588)**

With the Minimum Taxation Act of 30 December 2023, Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union was implemented in national law in Austria. Some other countries in which AT&S operates are currently introducing corresponding minimum taxation regulations. The objective of the global minimum tax is to ensure that corporate groups generating global revenues of at least € 750 million are subject to an effective minimum tax rate of 15 percent in the countries in which they operate. Since AT&S has to apply the regulations for the financial year starting on 1 April 2024 for the first time, an evaluation of the potential effects of the global minimum tax has been carried out. Based on the current planning it can be assumed that no minimum tax will be incurred for the next financial year.

AT&S applies the mandatory temporary exception to the accounting for and disclosure of deferred taxes in connection with the global minimum tax, which was the subject of the amendments to IAS 12 published in May 2023. Accordingly, information on deferred tax assets and liabilities in connection with the global minimum tax is neither reported nor disclosed.

IV. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. Property, plant and equipment

€ in thousands	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Carrying amount 31 Mar 2022	**273,676**	**1,214,185**	**17,074**	**445,250**	**1,950,185**
Exchange differences	(12,931)	(72,601)	(668)	(43,052)	(129,252)
Additions	47,685	209,370	19,092	954,535	1,230,682
Disposals	(2,404)	(5,712)	(227)	(102,626)	(110,969)
Transfers	6,135	256,960	2,797	(266,050)	(158)
Depreciation, current	(25,979)	(224,948)	(10,268)	–	(261,195)
Carrying amount 31 Mar 2023	**286,182**	**1,377,254**	**27,800**	**988,057**	**2,679,293**
Thereof					
Acquisition cost	*413,704*	*2,830,829*	*65,369*	*988,057*	*4,297,959*
Accumulated depreciation	*(127,522)*	*(1,453,575)*	*(37,569)*	*–*	*(1,618,666)*
Adjustment				***(57)***	
Carrying amount 01 Apr 2023	**286,182**	**1,377,254**	**27,800**	**988,000**	**2,679,236**
Exchange differences	(9,231)	(49,565)	(537)	(54,510)	(113,843)
Additions	345,546	94,532	6,977	659,326	1,106,381
Disposals	(2,854)	(3,866)	(482)	(1,355)	(8,557)
Transfers	27,969	190,830	4,404	(223,266)	(63)
Depreciation, current	(26,635)	(230,309)	(11,289)	–	(268,233)
Carrying amount 31 Mar 2024	**620,977**	**1,378,876**	**26,873**	**1,368,195**	**3,394,921**
Thereof					
Acquisition cost	*769,062*	*2,989,155*	*71,067*	*1,368,195*	*5,197,479*
Accumulated depreciation	*(148,084)*	*(1,610,278)*	*(44,195)*	*–*	*(1,802,557)*

The value of the land included in “Land, plants and buildings” amounts to € 5,543 thousand (previous year: € 5,670 thousand).

The item “Land, plants and buildings” mainly includes the addition of a right-of-use asset according to IFRS 16 amounting to € 336,317 thousand as part of the construction of the R&D center including series production in Leoben-Hinterberg.

The item “Prepayments and construction in progress“ mainly includes additions related to the investment project in Kulim, Malaysia, equipment for the plants in Chongqing, China, as well as the R&D center and series production facility in Leoben-Hinterberg, which is currently under construction.

The following table shows the right-of-use assets reported separately in accordance with IFRS 16, which are included in property, plant and equipment as of 31 March 2024:

€ in thousands	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Acquisition cost	464,329	142	8,538	–	473,009
Thereof additions	*339,331*	*39*	*1,492*	–	*340,862*
Accumulated depreciation	(26,467)	(113)	(6,006)	–	(32,586)
Carrying amount 31 Mar 2024	**437,862**	**29**	**2,532**	**–**	**440,423**

In the financial year 2023/24, the following lease expenses were shown in the income statement of profit or loss:

€ in thousands	2023/24	2022/23
Lease expenses from short-term lease agreements	2,675	2,832
Lease expenses from low-value lease agreements	489	371
Depreciation of rights of use	12,577	11,544
Interest expenses from lease liabilities	7,092	3,188

Depreciation in the current financial year is recognised mainly in cost of sales, as well as in distribution costs, general and administrative costs, and in start-up losses, recognised under other operating result.

In the financial year 2023/24, borrowing costs on qualifying assets of € 12,715 thousand were capitalised (previous year: € 7,211 thousand). Interest rates between 1.00% and 4.30% were applied (previous year: 2.06% and 3.85%).

Machinery and technical equipment in the amount of € 139,159 thousand are pledged.

Impairment/Reversal of impairment Property, plant and equipment is regularly reviewed for indications of impairment. Impairment tests are conducted for cash-generating units. A key criterion for the qualification as a cash-generating unit is their technical and economic independence to generate income. Triggering event analyses are conducted for all cash-generating units, which consider both internal and external factors to determine the existence of a triggering event in accordance with IAS 36. If there are any indications of impairment, an impairment test is conducted immediately.

The impairment tests are based on calculations of the value in use. The value in use is determined using a DCF method. In doing so, the value in use is determined as the present value of future estimated cash flows before tax in the next five to ten years based on the data of medium-term business planning.

The medium-term business plan is drawn up annually. The plausibility of the underlying assumptions is therefore checked annually and these assumptions are updated; based on the result, the estimated cash flows are adapted. The assumptions on the development of the economic environment and customer demand in the respective markets included in business planning are incorporated in the annual, updated medium-term planning. After the detailed planning period, a perpetual annuity is used for calculation based on the assumptions of the past year.

The discount rate is derived from a standard weighted cost of capital after tax adapted to the specific risks using recognised financial mathematics methods from external sources. The value in use is translated at the closing rate of the date when the impairment test is performed. All weighted cost of capital rates were reconciled to a pre-tax WACC for disclosure in accordance with the requirements of IAS 36.

The triggering event analysis showed the need to conduct an impairment test for seven cash-generating units in the financial year 2023/24, mainly due to market uncertainties and the related variances from planning. Impairment tests were conducted for the following cash-generating units: Hinterberg, Fehring, Nanjangud, Shanghai, Substrates – Chongqing, Substrates – Hinterberg and Kulim.

In the financial year 2023/24, no impairment was required at any of the tested cash-generating units.

A sensitivity analysis was carried out with regard to key parameters for calculating the impairment tests (-10.0% EBIT margin; +1.00 percentage point discount rate). Based on these analyses, there are no material effects on the valuation of fixed assets.

Sale-and-leaseback transaction As part of a sale-and-leaseback transaction in the financial year 2006/07, properties in Leoben were sold to a leasing company and leased back. The term of this lease (waiver of termination period) was extended by another 10 years during the financial year 2021/22, and a waiver of termination is thus in place until 2032. The intention is to subsequently acquire the properties at the residual value.

8. Intangible assets

€ in thousands	Industrial property and similar rights and assets, and licenses in such rights and assets	Capitalised development costs	Goodwill	Prepayments	Other intangible assets	Total
Carrying amount 31 Mar 2022	**7,459**	**24,348**	**–**	**–**	**–**	**31,807**
Exchange differences	(133)	(1,163)	–	–	–	(1,296)
Additions	3,011	–	–	312	80	3,403
Transfers	470	–	–	(312)	–	158
Amortisation, current	(3,589)	(5,609)	–	–	(80)	(9,278)
Carrying amount 31 Mar 2023	**7,218**	**17,576**	**–**	**–**	**–**	**24,794**
Thereof						
Acquisition cost	*46,950*	*120,875*	*6,527*	–	–	*174,352*
Accumulated amortisation	*(39,732)*	*(103,299)*	*(6,527)*	–	–	*(149,558)*
Adjustment	**–**	**–**	**–**	**56**	**–**	**56**
Carrying amount 01 Apr 2023	**7,218**	**17,576**	**–**	**56**	**–**	**24,850**
Exchange differences	(86)	(705)	–	–	–	(791)
Additions	4,071	–	–	21	15	4,107
Transfers	141	–	–	(77)	–	64
Amortisation, current	(3,479)	(4,641)	–	–	(15)	(8,135)
Carrying amount 31 Mar 2024	**7,865**	**12,230**	**–**	**–**	**–**	**20,095**
Thereof						
Acquisition cost	*50,721*	*116,137*	*6,377*	–	–	*173,235*
Accumulated amortisation	*(42,856)*	*(103,907)*	*(6,377)*	–	–	*(153,140)*

Amortisation for the current financial year is charged to cost of sales, distribution costs, general and administrative costs, and other operating result.

In the financial year 2023/24, no development costs were capitalised (previous year: € 0).

9. Other non-current assets

€ in thousands	31 Mar 2024	31 Mar 2023
Prepayments	9,659	10,298
Deposits made	5,027	33,601
Other prepaid expenses	107	518
Other non-current receivables	3,283	4,142
Carrying amount	**18,076**	**48,559**

Prepayments relate to factory premises in China. Deposits given in the financial year 2022/23 primarily include collateral in connection with the investment project in Hinterberg. These were used in the financial year 2023/24. Other prepaid expenses are mainly related to accrued insurance premiums. Other non-current receivables include COVID-19 investment premiums for the Austrian locations.

10. Inventories

€ in thousands	31 Mar 2024	31 Mar 2023
Raw materials and supplies	90,869	86,324
Work in progress	47,904	25,873
Finished goods	22,001	33,186
Carrying amount	**160,774**	**145,383**

The balance of inventory write-downs recognised as an expense amounts to € 48,239 thousand as of 31 March 2024 (previous year: € 54,238 thousand). The write-downs amounting to € 5,265 thousand (previous year: € 2,285 thousand) resulted from the measurement of inventories at net realisable value in the financial year 2023/24. The write-downs are recognised in cost of sales in the statement of profit or loss.

11. Trade and other receivables and contract assets

The carrying amounts of trade and other receivables and contract assets are as follows:

€ in thousands	31 Mar 2024	31 Mar 2023
Trade receivables	109,795	141,178
Impairments of trade receivables	(775)	(672)
Contract assets	118,994	135,427
Impairments of contract assets	(238)	(251)
VAT receivables	10,155	18,017
Other receivables from authorities	28,887	16,699
Prepayments	15,197	15,319
Energy tax refunds	1,183	1,105
Deposits	1,753	31,634
Insurance reimbursements	177	–
Other receivables	43,009	35,925
Total	**328,137**	**394,381**

Other receivables as of 31 March 2024 mainly include receivables from grants not yet paid as well as prepayments from customers not yet received and recognised as contract liabilities according to IFRS 15.106. The deposits of the previous year mainly include collateral for customs duties and taxes in connection with the investment project in Kulim, Malaysia.

Trade receivables amounting to € 10,000 thousand (previous year: € 10,000 thousand) serve as collateral in connection with various financing agreements. Reference is made to Note 15 “Financial liabilities”.

Taking impairment into account, the carrying amounts of trade and other receivables and contract assets approximate their fair values.

Remaining maturities of receivables All receivables as at 31 March 2024 and 31 March 2023 have remaining maturities of less than one year.

Factoring As of 31 March 2024, trade receivables totalling € 150,527 thousand (previous year: € 131,837 thousand) were assigned to banks to the amount of 100% of the nominal value and are fully derecognised in accordance with the regulations of IFRS 9 as both opportunities and risks and control have been transferred to the acquiring party. The default risk was assigned to the purchasers. AT&S assumes a liability for default to the amount of the retention level from the credit insurance. The maximum risk associated with liability for default was € 15,053 thousand as of 31 March 2024 (previous year: € 13,184 thousand) less coverage of the credit insurance applied. Claims of existing credit insurance were transferred to the purchaser. The part of the purchasing price not yet paid by the acquiring party is shown under the item "Financial assets". Payments from customers of assigned trade receivables are presented in the current financial liabilities.

Contract assets Contract assets have developed as follows:

€ in thousands	2023/24	2022/23
Contract assets at the beginning of the financial year	135,176	177,328
Utilisation	(135,176)	(177,328)
Addition	118,994	135,427
Impairment according to IFRS 9	(238)	(251)
Contract assets at the end of the financial year	**118,756**	**135,176**

Development of past due receivables and impairments of trade receivables The age structure of trade receivables and impairment is shown in the table below:

	31 Mar 2024		
€ in thousands	Gross receivables	Impairments	Carrying amount
not due	107,172	(519)	106,653
1 - 15 days overdue	1,795	(89)	1,706
16 - 30 days overdue	490	(35)	455
31 - 60 days overdue	267	(111)	156
61 - 90 days overdue	3	(3)	–
more than 90 days overdue	68	(18)	50
Trade receivables	**109,795**	**(775)**	**109,020**

	31 Mar 2023		
€ in thousands	Gross receivables	Impairments	Carrying amount
not due	135,971	(507)	135,464
1 - 15 days overdue	3,517	(61)	3,456
16 - 30 days overdue	690	(34)	656
31 - 60 days overdue	876	(33)	843
61 - 90 days overdue	52	(17)	35
more than 90 days overdue	72	(20)	52
Trade receivables	**141,178**	**(672)**	**140,506**

There were no indications at the balance sheet date that overdue trade receivables not impaired would not be paid.

Impairments of trade receivables are recognised if there are indications (past due, insolvency) that it is unlikely that the total amount can be collected. Receivables are derecognised if, on a legal basis, it can be assumed that no payment is to be expected anymore. In the financial year 2023/24, trade receivables amounting to € 5 thousand (previous year: € 0 thousand) were derecognised.

Impairments of trade receivables have developed as follows:

€ in thousands	2023/24	2022/23
Impairments at the beginning of the financial year	672	737
Utilisation	(5)	–
Reversal	(473)	(535)
Addition	578	474
Currency translation differences	3	(4)
Impairments at the end of the financial year	**775**	**672**

12. Financial assets

The carrying amounts of the financial assets are as follows:

€ in thousands	31 Mar 2024	thereof non-current	thereof current
Financial assets at fair value through profit or loss	946	–	946
Financial assets at fair value through OCI	118	118	–
Financial assets at amortised cost	33,943	9,700	24,243
Derivatives	8,720	6,981	1,739
Total	**43,727**	**16,799**	**26,928**

€ in thousands	31 Mar 2023	thereof non-current	thereof current
Financial assets at fair value through profit or loss	877	–	877
Financial assets at fair value through OCI	118	118	–
Financial assets at amortised cost	34,439	13,624	20,815
Derivatives	17,401	13,952	3,449
Total	**52,835**	**27,694**	**25,141**

Financial assets at fair value through profit or loss

€ in thousands	31 Mar 2024	31 Mar 2023
Bonds	946	877
Total	**946**	**877**

All bonds are denominated in euros (nominal currency).

Financial assets at fair value through OCI

€ in thousands	2023/24	2022/23
Carrying amount at the beginning of the year	118	117
Additions/(Disposals)	–	1
Unrealised gains/(losses) from the current period, recognised in equity	–	–
Realised gains/(losses) from the current period, removed from equity	–	–
Exchange differences	–	–
Carrying amount at the end of the year	**118**	**118**

All financial assets at fair value through OCI are denominated in euros (nominal currency).

Financial assets at amortised cost Financial assets at amortised cost are denominated in euros, US dollars, Chinese yuan renminbi, and Japanese yen (nominal currencies). They mainly consist of notice deposits with a maturity of more than three months and factored receivables against banks from assignment agreements, as well as a loan granted to a third party. This loan results in an expected credit loss of € 122 thousand (previous year: € 196 thousand).

Derivative financial instruments

€ in thousands	31 Mar 2024	31 Mar 2023
Derivative financial instruments	8,720	17,401
Total	**8,720**	**17,401**

Reference is made to Note 19 “Derivative financial instruments”.

13. Cash and cash equivalents

€ in thousands	31 Mar 2024	31 Mar 2023
Bank balances and cash on hand	676,490	791,738
Carrying amount	**676,490**	**791,738**

The reported carrying amounts correspond to the respective fair values.

14. Trade and other payables

€ in thousands	31 Mar 2024	Remaining maturity: Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	430,637	430,637	–	–
Government grants	82,833	10,595	40,542	31,696
Liabilities to fiscal authorities and other state authorities	10,961	10,961	–	–
Liabilities to social security authorities	7,729	7,729	–	–
Liabilities from unconsumed leave	10,454	10,454	–	–
Liabilities from stock appreciation rights	875	337	538	–
Liabilities to employees	38,103	38,103	–	–
Other liabilities	16,517	16,512	5	–
Carrying amount	**598,109**	**525,328**	**41,085**	**31,696**

€ in thousands	31 Mar 2023	Remaining maturity: Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	457,897	457,897	–	–
Government grants	74,752	8,479	36,547	29,726
Liabilities to fiscal authorities and other state authorities	8,759	8,759	–	–
Liabilities to social security authorities	11,085	11,085	–	–
Liabilities from unconsumed leave	9,962	9,962	–	–
Liabilities from stock appreciation rights	2,204	2,204	–	–
Liabilities to employees	43,179	43,179	–	–
Other liabilities	16,985	16,980	5	–
Carrying amount	**624,823**	**558,545**	**36,552**	**29,726**

The carrying amounts of the reported liabilities approximate the respective fair values.

Government grants Government grants mainly relate to grants for land-use rights and property, plant and equipment and are released to profit or loss according to the useful life of the related property, plant and equipment.

Furthermore, the Group received grants for project costs for several research projects which are recognised in income on a pro rata basis according to the costs incurred and the grant ratio. Associated deferred amounts are included in government grants.

Liabilities from stock appreciation rights At the 81st Supervisory Board meeting on 3 July 2014, a resolution was passed to introduce a long-term incentive program based on stock appreciation rights (SARs). SARs relate to the value increase in share prices based on the development of the share price. SARs were granted in the period between 1 April 2014 and 1 April 2016. Due to the expiry of the stock appreciation rights plan (2014 to 2016), the 91st Supervisory Board meeting on 6 June 2016 extended the resolution to introduce a long-term incentive program based on stock appreciation rights (SAR plan 2017) to run for three years. The stock appreciation rights were granted between 1 April 2017 and 1 April 2019. Due to the expiry of the stock appreciation rights plan (2017 to 2019), the 112th Supervisory Board meeting on 12 March 2020 extended the resolution to introduce a long-term incentive programme based on stock appreciation rights (SAR plan 2020). The stock appreciation rights were granted on 1 April 2020. Due to the expiry of the stock appreciation rights plan (2020), the 118th Supervisory Board meeting on 18 March 2021 extended the resolution to introduce a long-term incentive program based on stock appreciation rights (SAR 2021-2023). The stock appreciation rights were granted between 1 April 2021 and 1 April 2023.

Each SAR entitles the holder to the right to a cash settlement at the remaining amount between the exercise price and the closing price of the AT&S share on the main stock exchange on which it is listed (currently the Vienna Stock Exchange) at the date the subscription right is exercised. The difference amount is limited to 200% of the exercise price.

The exercise price of SARs is determined at the respective date of grant, corresponding to the average closing price of the AT&S share on the Vienna Stock Exchange or at the main stock exchange on which the AT&S share is listed over a period of six calendar months immediately preceding the date of grant.

SARs may be exercised in full or in part after the respective completion of a three-year period following the date of grant, but not during a restricted period. Granted stock appreciation rights not exercised within five years after the grant date become invalid and forfeited without compensation.

SARs may only be exercised by the beneficiaries if the following requirements are met at the date of exercise:

- The beneficiary's employment contract with a company in the AT&S Group remains valid. Subject to certain conditions, rights may also be exercised within a year after termination of the employment contract.
- The required personal investment in the amount of 20% of the first amount granted (in SARs) in AT&S shares is held. For SAR 2021-2023, the necessary personal investment in AT&S shares to be held amounts to 20% of the first allocation of SAR multiplied by € 10.00. If the personal investment is not fully established by the end of the three-year waiting period, all previously granted SARs become forfeited in full. The established personal investment must be held over the complete period of participation in the program and also apply to the grant in subsequent years. The personal investment may only be wound down when exercise is no longer possible.
- The earnings per share (EPS) performance target was met. The level of attainment of the earnings per share performance indicator determines how many of the granted SARs may be exercised. The target value is the EPS value determined in the mid-term plan for the balance sheet date of the third year after the grant date. If the EPS target is attained at 100% or surpassed, the granted SARs may be exercised in full. If attainment is between 50% and 100%, the granted SARs may be exercised on a pro rata basis. If the EPS value attained is below 50%, the granted SARs become forfeited in full. Of the allocations of 1 April 2021 and 1 April 2022, eligible employees can exercise 50% of the allocated SAR (except allocations to board members) in any case if the Group's operating result is positive. For these, the payout amount per SAR is limited to 100% of the respective exercise price.

Number and allocation of granted SARs:

	Date of grant					
	1. April 2023	1. April 2022	1. April 2021	1. April 2020	1. April 2019	1. April 2018
Exercise price (in €)	32.30	42.81	22.92	17.56	17.25	21.94
31 Mar 2022	–	–	312,500	270,000	205,000	44,888
Number of stock appreciation rights granted	–	381,500	10,000	–	–	–
Number of stock appreciation rights exercised	–	–	–	–	200,000	40,572
Number of stock appreciation rights expired	–	12,500	17,500	42,500	–	4,316
31 Mar 2023	**–**	**369,000**	**305,000**	**227,500**	**5,000**	**–**
Number of stock appreciation rights granted	386,667	–	–	–	–	–
Number of stock appreciation rights exercised	–	–	–	102,130	5,000	–
Number of stock appreciation rights expired	7,500	46,000	21,000	94,795	–	–
31 Mar 2024	**379,167**	**323,000**	**284,000**	**30,575**	**–**	**–**
Remaining contract period of stock appreciation rights granted	4 Jahre	3 Jahre	2 Jahre	1 Jahr	–	–
Fair value of granted stock appreciation rights as at the balance sheet date (in € thousands)						
31 Mar 2023	**–**	**–**	**–**	**2,010**	**56**	**–**
31 Mar 2024	**1,137**	**182**	**260**	**55**	**–**	**–**

SARs are measured at fair value at the respective balance sheet date using the Monte Carlo method and based on the model assumptions and valuation parameters stated below. The values determined for the calculation of the liabilities may differ from the values later realised on the market.

Risk-free interest rate	2.38 to 2.85%
Volatility	44.00 to 45.00%
Dividend per share	0.00

Volatility is calculated based on the daily share prices from 1 April 2020 until the balance sheet date.

The expenses for the stock appreciation rights are included in the administration costs.

The fair value of the SARs granted is recognised as an expense over their term.

Other liabilities Other liabilities mainly include debtors with credit balances, accrued legal, audit and consulting fees, as well as other accruals.

15. Financial liabilities

€ in thousands	31 Mar 2024	Remaining maturity: Less than 1 year	Between 1 and 5 years	More than 5 years	Nominal interest rate in %	
Registered bonds	14,999	16	14,983	–		1.80
Export loans	10,000	10,000	–	–		5.23
Loans from state authorities	1,643	1,643	–	–		0.75
Other bank borrowings	1,526,058	366,746	999,399	159,913	1.24 –	6.09
Other financial liabilities due to financing partners	199,926	109,472	90,454	–		
Liabilities from finance leases IFRS 16	367,808	30,312	127,390	210,106		
Derivative financial instruments[1]	2,792	–	2,792	–		
Carrying amount	**2,123,226**	**518,189**	**1,235,018**	**370,019**		

€ in thousands	31 Mar 2023	Remaining maturity: Less than 1 year	Between 1 and 5 years	More than 5 years	Nominal interest rate in %	
Registered bonds	14,995	16	14,979	–		1.80
Export loans	10,000	10,000	–	–		2.98
Loans from state authorities	2,232	1,163	1,069	–		0.75
Other bank borrowings	1,371,788	533,408	790,955	47,425	1.04 –	5.00
Other financial liabilities due to financing partners	198,161	108,506	89,655	–		
Liabilities from finance leases IFRS 16	98,603	9,340	29,693	59,570		
Derivative financial instruments[1]	–	–	–	–		
Carrying amount	**1,695,779**	**662,433**	**926,351**	**106,995**		

[1] Reference is made to Note 19 "Derivative financial instruments"

Other bank borrowings mainly include long-term investment financing in addition to the current liquidity needs.

Other bank borrowings mainly include the following contracts:

- OeKB equity financing programme in FY 2016/17
- OeKB equity financing programme in FY 2018/19
- Promissory note loan in FY 2018/19
- Promissory note loan in FY 2019/20
- OeKB equity financing programme in FY 2019/20
- Promissory note loan and registered bonds in FY 2020/21
- Term loans in FY 2020/21
- Promissory note loan in FY 2021/22
- Term loans in FY 2021/22
- OeKB financing in FY 2022/23
- EIB (European Investment Bank) in FY 2022/23

Financial contracts in FY 2023/24:

- Promissory note loan of € 55 million
- Promissory note loan of € 220 million
- Term loans of € 145 million

Other liabilities to financing partners are related to financing from investment projects in Chongqing, China.

The contractually agreed (undiscounted) interest and redemption payments of the financial liabilities as of 31 March 2024, including interest rate hedging, are as follows in the coming financial years:

€ in thousands	Registered bonds	Export loans	Loans from state authorities	Other bank borrowings	Other financial liabilities due to financial partners	Liabilities from finance lease IFRS 16	Derivative financial instruments
2024/25							
Redemption	16	10,000	1,643	352,052	109,472	30,312	–
Fixed interest	270	–	9	3,228	–	–	–
Variable interest	–	523	–	74,232	–	20,152	–
2025/26							
Redemption	–	–	–	339,177	22,613	30,610	–
Fixed interest	270	–	–	2,966	–	–	–
Variable interest	–	–	–	46,486	–	18,475	–
2026/27							
Redemption	–	–	–	401,290	22,613	30,871	1,672
Fixed interest	270	–	–	52,232	–	–	1,672
Variable interest	–	–	–	25,151	–	16,753	–
2027/28							
Redemption	15,000	–	–	38,000	22,613	32,099	–
Fixed interest	270	–	–	1,928	–	–	–
Variable interest	–	–	–	13,374	–	14,969	–
2028/29							
Redemption	–	–	–	178,500	22,613	33,809	1,119
Fixed interest	–	–	–	1,928	–	–	–
Variable interest	–	–	–	9,306	–	13,096	–
after 2026/27							
Redemption	–	–	–	152,500	–	210,106	–
Fixed interest	–	–	–	1,511	–	–	–
Variable interest	–	–	–	8,834	–	29,963	–

No significant deviations from the agreed interest and redemption payments are expected regarding terms or amounts.

At the previous year's balance sheet date of 31 March 2023, the contractually agreed (undiscounted) interest and redemption payments of the financial liabilities, including interest rate hedging, were as follows for the coming financial years:

€ in thousands	Registered bonds	Export loans	Loans from state authorities	Other bank borrowings	Other financial liabulities due to financial partners	Liabilities from finance leases IFRS 16	Derivative financial instruments
2023/24							
Redemption	16	10,000	1,163	520,427	108,506	9,341	–
Fixed interest	270	–	16	1,838	–	–	–
Variable interest	–	298	–	42,487	–	3,827	–
2024/25							
Redemption	–	–	1,069	255,177	89,655	8,284	–
Fixed interest	270	–	8	1,027	–	–	–
Variable interest	–	–	–	32,358	–	3,477	–
2025/26							
Redemption	–	–	–	389,177	–	7,719	–
Fixed interest	270	–	–	948	–	–	–
Variable interest	–	–	–	18,147	–	3,150	–
2026/27							
Redemption	–	–	–	141,790	–	6,947	–
Fixed interest	270	–	–	292	–	–	–
Variable interest	–	–	–	6,113	–	2,841	–
2027/28							
Redemption	–	–	–	6,000	–	6,743	–
Fixed interest	270	–	–	272	–	–	–
Variable interest	–	–	–	1,956	–	2,541	–
after 2027/28							
Redemption	15,000	–	–	47,500	–	59,569	–
Fixed interest	270	–	–	272	–	–	–
Variable interest	–	–	–	2,600	–	7,816	–

Some of the financial liabilities have interest rates that deviate from the market interest rates. For this reason, differences may arise between their fair values and carrying amounts.

	Carrying amounts		Fair values	
€ in thousands	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Registered bonds	14,999	14,995	15,000	15,000
Export loans	10,000	10,000	10,000	10,000
Loans from state authorities	1,643	2,232	1,646	2,236
Other bank borrowings	1,526,058	1,371,788	1,540,293	1,374,875
Other financial liabilities due to financial partners	199,926	198,161	199,926	198,161
Liabilities from finance leases IFRS 16	367,808	98,603	367,808	98,603
Derivative financial instruments	2,792	–	2,792	–
Total	**2,123,226**	**1,695,779**	**2,137,465**	**1,698,875**

The calculation of the fair values is based on the discounted value of future payments using current market interest rates, or the fair values are determined based on quoted prices.

The carrying amounts of financial liabilities by currency are as follows:

€ in thousands	31 Mar 2024	31 Mar 2023
Euros	1,923,300	1,497,618
US dollars	199,926	198,161
Total	**2,123,226**	**1,695,779**

The Group's unused credit lines are as follows:

€ in thousands	31 Mar 2024	31 Mar 2023
Export credit	22,000	22,000
Other credit	559,502	703,626
Total	**581,502**	**725,626**

16. Contract liabilities

Current and non-current Contract liabilities totaling € 911,530 thousand (previous year: € 607,243 thousand) include payments from bilateral agreements for the financing of new production facilities. Due to a significant financing component, interest totaling € 14,391 thousand is recognised as a liability in the financial year 2023/24 (previous year: € 6,628 thousand).

17. Provisions for employee benefits

Provisions for employee benefits relate to pension commitments, severance payments, and other employee benefits.

Defined contribution plans The majority of the Group's employees in Austria and some of its employees in India are covered by defined contribution pension plans that have been outsourced to a pension fund. For employees in Austria, the pension plans are supplemented by death and endowment insurance policies. Employer contributions are determined based on a certain percentage of current remuneration. Employer contributions under these plans amounted to € 844 thousand in the financial year 2023/24 and to € 800 thousand in the financial year 2022/23.

Defined benefit plans The Group operates defined benefit plans for several current and former members of the Management Board and former executive employees with no employee contribution required. The board members and other executive employees' plans are partially funded through assets in pension funds and partially unfunded. Pension benefits of board members and executive employees are based on their salaries and years of service. Essentially, these obligations expose the Group to life expectancy and inflation risks due to future increases in pay and pensions, and, in the case of funded pension plans, to deviations in income.

Funded severance payments The employees in India are entitled to severance payments upon retirement or, under certain circumstances, upon leaving the Company prematurely, the amount of which depends on years of service and the remuneration received by the respective member of staff. Severance payments range between half the monthly remuneration per year of service and a fixed maximum. Severance payment obligations are covered by a life insurance policy. The main risk to which the Group is exposed from these obligations is the risk of inflation due to future pay increases.

Unfunded severance payments Employees in Austria, South Korea, and China are entitled to receive severance payments, which are based upon years of service and remuneration received by the respective member of staff and are generally payable upon retirement and, under certain circumstances, upon leaving the Company. For staff members who joined the Company before 1 January 2003, the severance payments in Austria range from two to twelve months of monthly salary, with staff members in South Korea and China also entitled to a fixed amount depending on years of service and salary. The main risk to which the Group is exposed from these obligations is the risk of inflation due to future pay increases.

For employees in Austria who joined on or after 1 January 2003, regular contributions are paid to a staff provision fund ("Mitarbeitervorsorgekasse") without any further obligations on the part of the Group. The contributions amounted to € 1,345 thousand in the financial year 2023/24 and € 1,328 thousand in the financial year 2022/23.

Other employee benefits The employees of the companies in Austria and China are entitled to anniversary bonuses for long-term service, the eligibility to and amount of which in Austria are stipulated in the Collective Agreement.

Expenses for (defined benefit) pension obligations, severance payments, and other employee benefits consist of the following:

	Retirement benefits		Severance payments		Other employee benefits	
€ in thousands	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Current service cost	–	–	2,413	2,483	4,065	3,868
Interest expense	365	194	1,152	653	369	250
Remeasurement of obligations from other employee benefits	–	–	–	–	(934)	719
Expenses recognised in profit for the period	**365**	**194**	**3,565**	**3,136**	**3,500**	**4,837**
Remeasurement of obligations from post-employment benefits	1,481	(1,430)	(73)	(2,511)	–	–
Expenses/(Income) recognised in other comprehensive income	**1,481**	**(1,430)**	**(73)**	**(2,511)**	**–**	**–**
Total	**1,846**	**(1,236)**	**3,492**	**625**	**3,500**	**4,837**

Expenses for retirement, severance payments, and other employee benefits are recognised in profit or loss under cost of sales, distribution costs, general and administrative costs, and in other comprehensive income. Net interest expense on personnel-related liabilities is presented in "Finance costs – net".

Amounts accrued in the *statement of financial position* are:

€ in thousands	31 Mar 2024	31 Mar 2023
Funded pension benefits	8,625	7,670
Unfunded pension benefits	1,330	1,241
Total pension benefits	**9,955**	**8,911**
Unfunded severance payments	26,736	27,221
Funded severance payments	97	34
Total severance payments	**26,833**	**27,255**
Other employee benefits	15,008	14,757
Provisions for employee benefits	**51,796**	**50,923**

In addition to anniversary bonuses, other employee benefits also include other obligations to employees.

Pension obligations and severance payments are as follows:

€ in thousands	Retirement benefits 31 Mar 2024	Retirement benefits 31 Mar 2023	Severance payments 31 Mar 2024	Severance payments 31 Mar 2023
Present value of funded obligations	17,461	15,800	2,492	2,073
Fair value of plan assets	(8,836)	(8,130)	(2,395)	(2,039)
Funded status of funded obligations	**8,625**	**7,670**	**97**	**34**
Present value of unfunded obligations	1,330	1,241	26,736	27,221
Provisions recognised in the statement of financial position	**9,955**	**8,911**	**26,833**	**27,255**

The present value of projected pension benefits, the movement in plan assets (held to cover the pension benefits), and the funded status are as follows:

€ in thousands	Funded retirement benefits 2023/24	Funded retirement benefits 2022/23	Unfunded retirement benefits 2023/24	Unfunded retirement benefits 2022/23
Present value of pension obligation				
Present value at the beginning of the financial year	15,800	17,807	1,241	1,323
Current service cost	–	–	–	–
Interest expense	648	338	51	25
Remeasurement from the change in demographic assumptions	–	–	–	–
Remeasurement from the change in financial assumptions	879	(2,309)	49	(131)
Remeasurement from adjustments based on past experience	920	688	66	95
Benefits paid	(786)	(724)	(77)	(71)
Present value at the end of the financial year	**17,461**	**15,800**	**1,330**	**1,241**

Fair value of plan assets		
Fair value at the beginning of the financial year	8,130	8,913
Contributions	725	–
Investment result	434	(228)
Interest income	333	169
Benefits paid	(786)	(724)
Fair value at the end of the financial year	**8,836**	**8,130**
Funded status of funded pension benefits	**8,625**	**7,670**

As at 31 March 2024, the average maturity of funded pension benefits is 13 years and unfunded pension benefits ten years.

Plan assets held to cover the pension obligations have been transferred to pension funds. The diversification of the portfolio is as follows:

in %	31 Mar 2024	31 Mar 2023
Debt securities	26%	28%
Equity securities	58%	55%
Real estate	9%	10%
Cash and cash equivalents	7%	7%
Total	**100%**	**100%**

A significant portion of plan assets is traded in an active market.

The aggregate movement in funded and unfunded severance payments is as follows:

€ in thousands	Funded severance payments 2023/24	Funded severance payments 2022/23	Unfunded severance payments 2023/24	Unfunded severance payments 2022/23
Present value of severance payment obligation				
Present value at the beginning of the financial year	2,073	2,056	27,221	30,557
Exchange differences	(14)	(132)	(146)	(363)
Service cost	140	142	2,273	2,341
Interest cost	154	143	1,153	646
Remeasurement from the change in demographic assumptions	–	–	(437)	(392)
Remeasurement from the change in financial assumptions	278	(67)	(1,375)	(2,323)
Remeasurement from adjustments based on past experience	37	51	1,407	224
Reclassification to other liabilities	–	–	–	(518)
Benefits paid	(176)	(120)	(3,360)	(2,951)
Present value at the end of the financial year	**2,492**	**2,073**	**26,736**	**27,221**

Fair value of plan assets		
Fair value at the beginning of the financial year	2,039	1,913
Exchange differences	(14)	(130)
Contributions	409	236
Investment result	(17)	4
Interest income	154	136
Benefits paid	(176)	(120)
Fair value at the end of the financial year	**2,395**	**2,039**
Funded status of funded severance payments	**97**	**34**

As at 31 March 2024, the average maturity of unfunded severance payments is ten years.

The aggregate movement in other employee benefits (anniversary bonuses) is as follows:

€ in thousands	2023/24	2022/23
Present value at the beginning of the financial year	14,757	14,315
Exchange differences	(415)	(589)
Service cost	4,065	3,868
Interest expense	369	250
Remeasurement from the change in demographic assumptions	(333)	(489)
Remeasurement from the change in financial assumptions	222	(665)
Remeasurement from adjustments based on past experience	(822)	1,873
Benefits paid	(3,623)	(3,806)
Present value at the end of the financial year	**14,220**	**14,757**

As at 31 March 2024, the average maturity of other employee benefits is ten years.

The following weighted actuarial parameters were used for the measurement at the balance sheet date:

	Retirement benefits		Severance payments		Other employee benefits (anniversary bonuses)	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Discount rate	3.70%	4.10 %	3.92 %	4.26 %	2.59 %	2.90 %
Expected rate of remuneration increase	–	–	3.88 %	4.29 %	6.19 %	6.22 %
Expected rate of pension increase	3.80 %	3.30 %	–	–	–	–
Retirement age	65	65	[1]	[1]	–	–

[1] Individual according to respective local legislation

Attrition rates and biometric data are included in the calculation of the provisions.

18. Other provisions

€ in thousands	Total	Warranty	Others
Carrying amount 31 Mar 2023	16,493	3,808	12,685
Utilisation	(3,621)	(1,393)	(2,228)
Reversal	(10,928)	(2,322)	(8,606)
Addition	14,385	13,617	768
Exchange differences	(369)	(144)	(225)
Carrying amount 31 Mar 2024	**15,960**	**13,566**	**2,394**

€ in thousands	Total	Warranty	Others
Carrying amount 31 Mar 2022	6,389	2,169	4,220
Utilisation	(2,777)	(702)	(2,075)
Reversal	(2,206)	(1,618)	(588)
Addition	15,565	4,144	11,421
Exchange differences	(478)	(185)	(293)
Carrying amount 31 Mar 2023	**16,493**	**3,808**	**12,685**

€ in thousands	31 Mar 2024	31 Mar 2023
thereof non-current	–	–
thereof current	15,960	16,493
Carrying amount	**15,960**	**16,493**

Warranty provision This item relates to the costs of existing and expected complaints about products still under warranty. The accrued amount is the best estimate of these costs based on experience and actual facts and is not yet recognised as a liability due to the uncertainty as to the amount and timing. The amount of expected costs includes amounts assumed from product liability insurance. The products affected are applications in the industrial segment.

Others With regard to the provision for risks from pending losses on onerous contracts in the amount of € 6,014 thousand, an agreement was reached with the contractual partner, which led to the use of € 1,288 thousand and the reversal of the remaining provision. The tax situation in Asia was clarified and the related provision of € 3,945 thousand was reversed. As in the previous year, the remaining provisions are related to the uncertain legal situation regarding pension insurance contributions and risks from pending transactions.

19. Derivative financial instruments

Derivative financial instruments of the reporting year relate to interest rate swaps in their entirety. Payments related to loans are hedged.

The carrying amounts of the Group's derivative financial instruments correspond to their fair values. The fair value corresponds to the amount that would be incurred or earned if the transaction had been settled at the balance sheet date.

The fair values of the derivative financial instruments are as follows at the balance sheet date:

	31 Mar 2024		31 Mar 2023	
€ in thousands	Assets	Liabilities	Assets	Liabilities
Interest rate swaps at fair value	8,720	2,792	17,401	–
Total market values	**8,720**	**2,792**	**17,401**	**–**
Non-current portion	**8,720**	**2,792**	**17,401**	**–**

As of 31 March 2024, the fixed interest rates for interest rate swaps range between -0.03% and 3.46%.The variable interest rate is based on the six-month EURIBOR.

Based on the various scenarios, the Group hedges its cash flow interest rate risk using interest rate swaps. Such interest rate swaps have the economic effect of converting loans from floating rates to fixed rates. If the Group takes out loans at floating rates, it uses swaps to convert such loans into fixed-rate loans. Under these interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between the fixed and variable interest rates calculated by reference to the agreed nominal amounts.

All significant contractual terms and conditions (such as term, volume, market interest rate, etc.) of a large part of the interest rate swaps matched those of the underlying transaction, and a hedging relationship can thus be assumed, especially since the change in the value of the hedging instrument fully balances out the changes in future cash flows.

The terms of the interest rate swaps employed as hedging instruments are as follows:

€ in thousands, in months, in %	Nominal volume	Maturity	Average hedged interest rate during the period
Interest rate swaps	443,000	12 - 52 months	-0.03 % - 3.46 %

The value of the interest rate swaps employed as hedging instruments developed as follows:

	Carrying amount of the hedging instrument[1]			
€ in thousands	Assets	Liabilities	Change in fair value of the hedging instrument on which the calculation of ineffectiveness is based	Change in fair value of the hedging instrument recognised in the cash flow hedge reserve
as per 31 Mar 2024	8,720	2,792	(3,876)	(7,886)
as per 31 Mar 2023	17,401	–	7,493	5,953

[1] Interest rate swaps are reported under financial receivables and financial liabilities (previous year: financial receivables).

20. Additional disclosures on financial instruments

Carrying amounts and fair values by measurement category The carrying amounts and fair values of financial instruments included in several items in the statement of financial position by measurement category are as follows at the balance sheet date. Unless otherwise stated, carrying amounts correspond approximately to the fair values:

€ in thousands	31 Mar 2024 Measurement categories in accordance with IFRS 9 or measurement in accord. with other IFRSs[1]	Level	Carrying amount	Fair value
Assets				
Non-current assets				
Derivative financial instruments	DHI	2	6,981	6,981
Other financial assets	FAAFVOCI	2	118	118
Other financial assets	FAAC		9,700	
Financial assets			**16,799**	
Current assets				
Trade receivables less impairments	FAAC		96,386	
Trade receivables	FAAFVOCI	3	12,634	12,634
Contract assets less impairments	-		118,757	
Other receivables	FAAC		43,185	
Other receivables	-		57,175	
Trade and other receivables			**328,137**	
Derivative financial instruments	DHI	2	1,739	1,739
Financial assets	FAAFVPL	1	946	946
Financial assets	FAAC		24,243	
Financial assets			**26,928**	
Cash and cash equivalents	FAAC		676,490	
Cash and cash equivalents			**676,490**	
Liabilities				
Other financial liabilities	FLAAC	2	2,120,434	
Derivative financial instruments	DHI	2	2,792	2,792
Non-current and current financial liabilities			**2,123,226**	
Trade payables	FLAAC		430,637	
Other payables	FLAAC		38,103	
Other payables	-		129,369	
Trade and other non-current and current payables			**598,109**	
Aggregated by measurement categories				
Assets				
At amortised cost	FAAC		850,004	–
Financial assets at fair value through OCI	FAAFVOCI		12,752	12,752
Financial assets at fair value through profit or loss	FAAFVPL		946	946
Derivatives as hedging instruments	DHI		8,720	8,720
Liabilities				
Financial liabilities at amortised cost	FLAAC		2,589,174	–
Derivatives as hedging instruments	DHI		2,792	2,792

[1] FAAC: Financial assets at amortised cost
FAAFVOCI: Financial assets at fair value through OCI
FAAFVPL: Financial assets at fair value through profit or loss
DHI: Derivatives as hedging instruments
FLAAC: Financial liabilities at amortised cost

	31 Mar 2023			
€ in thousands	Measurement categories in accordance with IFRS 9 or measurement in accord. with other IFRSs[1]	Level	Carrying amount	Fair value
Assets				
Non-current assets				
Derivative financial instruments	DHI	2	13,952	13,952
Other financial assets	FAAFVOCI	2	118	118
Other financial assets	FAAC		13,624	
Financial assets			**27,694**	
Current assets				
Trade receivables less impairments	FAAC		132,890	
Trade receivables	FAAFVOCI	3	7,616	7,616
Contract assets less impairments	-		135,176	
Other receivables	FAAC		35,925	
Other receivables	-		82,774	
Trade and other receivables			**394,381**	
Derivative financial instruments	DHI	2	3,449	3,449
Financial assets	FAAFVPL	1	877	877
Financial assets	FAAC		20,815	
Financial assets			**25,141**	
Cash and cash equivalents	FAAC		791,738	
Cash and cash equivalents			**791,738**	
Liabilities				
Other financial liabilities	FLAAC	2	1,695,779	
Non-current and current financial liabilities			**1,695,779**	**–**
Trade payables	FLAAC		457,897	
Other payables	FLAAC		43,179	
Other payables	-		123,747	
Trade and other non-current and current payables			**624,823**	
Aggregated by measurement categories				
Assets				
At amortised cost	FAAC		994,992	–
Financial assets at fair value through OCI	FAAFVOCI		7,734	7,734
Financial assets at fair value through profit or loss	FAAFVPL		877	877
Derivatives as hedging instruments	DHI		17,401	17,401
Liabilities				
Financial liabilities at amortised cost	FLAAC		2,196,855	–
Derivatives as hedging instruments	DHI		–	–

[1] FAAC: Financial assets at amortised cost
FAAFVOCI: Financial assets at fair value through OCI
FAAFVPL: Financial assets at fair value through profit or loss
DHI: Derivatives as hedging instruments
FLAAC: Financial liabilities at amortised cost

When measuring fair value, a distinction needs to be made between three valuation hierarchies:

- Level 1: The fair values are determined based on quoted market prices in an active market for identical financial instruments.
- Level 2: If quoted market prices in active markets are not available, the fair values are determined based on the results of a measurement method that is based to the greatest possible extent on market prices.

- Level 3: In this case, the fair values are determined using measurement models which are not based on observable market data.

Net results relating to financial instruments by measurement category Net gains or net losses relating to financial assets and liabilities by measurement category are as follows:

€ in thousands	2023/24	2022/23
Amortised cost	39,541	58,502
Fair value through other comprehensive income	–	5
Fair value through profit or loss	6,131	7,784
Financial liabilities at amortised cost	(73,774)	(25,229)
Total	**(28,102)**	**41,062**

The net results relating to financial instruments include dividend income, interest income, and expenses, foreign exchange gains and losses, realised gains and losses on the disposal and sale, as well as income and expenses recognised in profit or loss from the measurement of financial instruments.

€ 7,482 thousand in net profit (previous year: € 12,100 thousand in net expenses) of the total net result from financial instruments is included in the operating result and contains mainly foreign exchange effects, and € 35,584 thousand in net profit (previous year: € 28,962 thousand in net expenses) in “Finance costs – net”.

Financial risks

In the following, the financial risks, which comprise the financing risk, the liquidity risk, the credit risk, and the foreign exchange risk, are addressed. In the Group Management Report, further risk categories and the related processes and measures are outlined.

Risk management of financial risks is carried out by the central treasury department (Group Treasury) under policies approved by the Management Board. Responsibilities, authorisations, and limits are governed by these internal guidelines. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units.

Financing and interest rate risk The financing risk relates to securing the long-term funding of the Group and to fluctuations in the value of financial instruments.

On the assets side, the Group is exposed to low-interest rate risks with regard to its securities portfolio. Other liquid funds are mainly invested short-term. Reference is made to Note 12 “Financial assets” and Note 13 “Cash and cash equivalents”.

On the liabilities side, 36.0% (previous year: 44.0%) of the total bonds and bank borrowings are subject to fixed interest rates, taking into account interest rate hedging instruments. Reference is made to Note 15 “Financial liabilities”.

The financial liabilities of the Group are linked to loan commitments that are customary in the market. These commitments are reviewed on a quarterly or an annual basis. If defined KPI thresholds are exceeded, lenders have a right to a step-up on the existing interest rate agreement. Rights of notice have not been agreed in this context.

Liquidity risk In the Group, liquidity risk refers to the circumstance of insolvency. Therefore, sufficient liquidity shall be available at all times to be able to meet the current payment obligations on time.

As of 31 March 2024, the Group has liquidity reserves of € 1,276.8 million (previous year: € 1,542.5 million). This comprises € 695,3 million (previous year: € 816.9 million) in cash and cash equivalents, held-to-maturity investments, securities held for trading and available-for-sale, and € 581.5 million (previous year: € 725.6 million) in available unused credit facilities. Thus, the liquidity reserves declined by € 265.7 million and include € 19.5 million in current reserves (previous year: € 20.3 million), which relate to AT&S in China and are subject to specific liquidity requirements.

Credit risk In the Group, credit risk refers to the potential for payment default by customers.

The credit risk is kept to a minimum through a comprehensive process. Customers are subject to regular credit assessments and their receivables are covered by insurance to a large extent. Non-insured receivables are continuously monitored and, if any risks are identified, the deliveries are made only against advance payments or bank guarantees. In the financial year 2023/24, € 0.8 million (previous year: € 0.7 million) or 0.7% (previous year: 0.5%) of receivables were impaired.

Reference is made to the detailed disclosures in Note 11 “Trade and other receivables”.

Foreign exchange risk As a globally operating entity, the AT&S Group is exposed to foreign exchange risk. “Natural hedges” exist in part through local added value created at the various sites. Within the Group, transaction risks are initially managed by a maximum reduction of the FX exposure (netting). Open positions are continuously analysed and hedged using different hedging instruments such as forward contracts, currency options, and currency swaps. No such instruments exist on the balance sheet date.

Sensitivity analyses are performed to assess the foreign exchange risk, with – all else being equal – the effects of percentage changes in foreign exchange rates being simulated against each other.

Financial market risks Detailed information on financial market risks and derivative financial instruments is contained in Section I.B.I. “Accounting and measurement policies: Financial assets: Derivative financial instruments” and in Note 19 “Derivative financial instruments”. The Group uses derivative financial instruments, such as forward contracts, options, and swaps, exclusively for hedging purposes.

Evaluation of financial market risks using sensitivity analyses The Group applies sensitivity analyses to quantify the interest rate and currency risks. In gap analyses, the potential change in profit/loss resulting from a 1% change in price (exchange rate or interest rate) of the foreign currency or net interest position is determined. Correlations between different risk elements are not included in these analyses. The impact on profit/loss is determined taking into account income tax effects on the profit for the year after tax.

Risks concerning changes in interest rates emerge from positions with variable interest rates, mainly deriving from refinancing activities. Basis and option risks play a subordinated role. The risk of the interest ledger is managed by conducting businesses with fixed interest rates as well as using derivative financial instruments. The table below shows the effect on financial liabilities:

	31 Mar 2024				
€ in thousands	EUR	USD	Others	**Total**	In %
Before Hedging					
Fixed interest rate	120,545	199,926	–	**320,471**	15.1%
Variable interest rate	1,799,963	–	–	**1,799,963**	84.9%
Total	**1,920,508**	**199,926**	**–**	**2,120,434**	100.0%
In %	90.6%	9.4%	–	100.0%	
After Hedging					
Fixed interest rate	563,545	199,926	–	**763,471**	36.0%
Variable interest rate	1,356,963	–	–	**1,356,963**	64.0%
Total	**1,920,508**	**199,926**	**–**	**2,120,434**	100.0%
In %	90.6%	9.4%	–	100.0%	

	31 Mar 2023				
€ in thousands	EUR	USD	Others	**Total**	In %
Before Hedging					
Fixed interest rate	139,653	198,161	–	**337,814**	19.9%
Variable interest rate	1,357,966	–	–	**1,357,966**	80.1%
Total	**1,497,618**	**198,161**	**–**	**1,695,779**	100.0%
In %	88.3%	11.7%	–	100.0%	
After Hedging					
Fixed interest rate	547,653	198,161	–	**745,814**	44.0%
Variable interest rate	949,966	–	–	**949,966**	56.0%
Total	**1,497,618**	**198,161**	**–**	**1,695,779**	100.0%
In %	88.3%	11.7%	–	100.0%	

If the EUR interest rates at the balance sheet date had been 100 basis points higher resp. lower, based on the financing structure at the balance sheet date, the profit for the year would have been € 10.2 million lower (previous year: € 7.1 million) resp. € 10.2 million higher (previous year: € 7.1 million), provided all other variables remained constant. If the USD interest rates at the balance sheet date had been 100 basis points higher (or lower), based on the financing structure at the balance sheet date, the profit for the year would have been € 0.0 million lower (previous year: € 0.0 million) or € 0.0 million higher (previous year: € 0.0 million), provided all other variables remained constant.

The effect of this interest rate sensitivity analysis is based on the assumption that the interest rates would deviate by 100 basis points during an entire financial year and the new interest rates would have to be applied to the amount of equity and liabilities at the balance sheet date.

According to IFRS 7, the impact of hypothetical changes in exchange rates on the profit for the year results from monetary financial instruments that are not denominated in the functional currency of the reporting company. Hence, the effect on profit/loss is calculated based on receivables, payables and financial balances or, if applicable, foreign currency derivatives. At AT&S, the risk primarily contains USD balances. Therefore, a sensitivity analysis is only carried out for this currency. The average changes in USD/EUR closing rates in the last 5 years amount to 3.0% (previous year: 5.0%). An increase in the US dollar exchange rate of 3.0% against the euro would have had a positive impact on the profit for the year in the amount of € 14.0 million (previous year: € 21.2 million). Devaluation of the US dollar exchange rate against the euro would have reduced the profit for the year by € 14.0 million (previous year: € 21.2 million). On a closing date basis, the USD increased by 1.0% against the EUR.

Capital risk management The objectives of the Group in respect of capital management include, firstly, securing the Company as a going concern in order to be able to continue providing the shareholders with dividends and the other stakeholders with their due services and, secondly, maintaining an appropriate capital structure in order to optimise capital costs. Therefore, the amount of the dividend payments is adjusted to the respective requirements, capital is repaid to shareholders (withdrawal of treasury shares), new shares are issued or the portfolio of other assets is changed.

Based on the covenants defined in the credit agreements, the Group monitors its capital based on the ratio of net debt to EBITDA (theoretical payback period for debts). The Group's financial liabilities are linked to standard market loan commitments, which are reviewed on a quarterly or annual basis. If the defined KPI thresholds are exceeded, lenders are entitled to a step-up on the existing interest rate agreement; termination rights have not been agreed upon in this context.

The Group's strategy is to sustain an equity ratio above 30% and not to exceed a theoretical payback period for debts of 3.0 years. Deviations are possible depending on the market environment and due to investment projects and may occur in a volatile environment

At the balance sheet date, the equity ratio was 20.7% and thus below the previous year's figure of 27.8% and below the target of more than 30.0%. This is mainly due to the increase in total assets as a result of investments and securing the financing of the future investment programme. At 4.6 years, the theoretical payback period for debts was above the previous year's figure of 2.0 years.

21. Contingent liabilities and other financial commitments

As of 31 March 2024, the Group has other financial commitments amounting to € 323,027 thousand (previous year: € 979,500 thousand) in connection with contractually binding investment projects. As of 31 March 2024, the maximum risk associated with liability for default was € 15,053 thousand (previous year: € 13,183 thousand) less coverage of the credit insurance applied. The liability for default corresponds to the theoretical maximum loss if a default of all transferred receivables is incurred. The probability of needing to fall back on this liability is extremely low. The fair value of this risk is not material. At the balance sheet date, the Group has contingent liabilities from bank guarantees in an amount of € 334 thousand (previous year: € 197 thousand). Contingent liabilities from guarantees at the balance sheet date amounted to € 315 thousand (previous year: € 0 thousand).

22. Share capital

	Outstanding shares in thousand shares	Ordinary shares € in thousands	Share premium € in thousands	Share capital € in thousands
31 Mar 2022	38,850	42,735	99,112	141,847
31 Mar 2023	**38,850**	**42,735**	**99,112**	**141,847**
31 Mar 2024	**38,850**	**42,735**	**99,112**	**141,847**

Ordinary shares The ordinary shares of the Company as of 31 March 2024 amounting to € 42,735 thousand are fully paid in (previous year: € 42,735 thousand) and are made up of 38,850,000 (previous year: 38,850,000) no-par value bearer shares with a notional value of € 1.10 each.

Approved capital and conditional capital increase The Management Board was authorised at the 25th Annual General Meeting on 4 July 2019, until 3 July 2024, to increase the Company's ordinary shares, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 new, no-par value bearer shares, for contributions in cash or in kind, in one or several tranches, also by way of indirect subscription rights, after having been taken over by one or more credit institutions in accordance with Section 153 (6) of the Austrian Stock Corporation Act (AktG). The Management Board was authorised to determine, subject to the approval of the Supervisory Board, the detailed terms and conditions of the issue (in particular the issue amount, subject of the contribution in kind, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the approved capital.

Furthermore, the Management Board was authorised at the 25th Annual General Meeting on 4 July 2019 to issue, subject to the approval of the Supervisory Board, one or several convertible bearer bonds at a total amount of up to € 150,000,000 until 3 July 2024 and to grant to bearers of convertible bonds conversion rights and/or subscription rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the convertible bond terms and conditions to be defined by the Management Board. In this regard, the Management Board was also authorised to fully or partially exclude shareholders' subscription rights. In this context, the Company's ordinary shares were conditionally increased by up to € 21,367,500 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with Section 159 (2) No. 1 of the Austrian Stock Corporation Act (AktG). This conditional capital increase will only be carried out if the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 4 July 2019 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. The Management Board was also authorised to determine, subject to the approval of the Supervisory Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the conditional capital. The same applies in case the authorisation to issue convertible bonds is not exercised or the conditional capital is not used.

With regard to the approved capital and the conditional capital, the following definition of the amount in accordance with the resolutions passed at the 25th Annual General Meeting on 4 July 2019, is to be observed: the sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000 (limitation of authorised amount).

The Annual General Meeting also resolved to amend the Articles of Association in § 4 (Nominal capital) to reflect these changes.

Free reserves At the 27th Annual General Meeting on 8 July 2021 the Management Board was authorised to reallocate an amount of up to € 50,000,000 of the balance sheet profit carried forward to new account – after dividend distribution – to free reserves, subject to the approval of the Supervisory Board.

Outstanding shares The number of shares issued amounts to 38,850,000 as at 31 March 2024 (previous year: 38,850,000).

Treasury shares At the 29th Annual General Meeting on 6 July 2023, the Management Board was again authorised to purchase, within a period of 30 months from the adoption of the resolution by the General Meeting, treasury shares of up to 10% of the nominal share capital of the Company for a minimum consideration per share at the most 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share at the most 30% higher than the average, unweighted stock exchange closing price over the preceding ten trading days. The treasury shares may be purchased via the stock exchange, by means of a public offering or any other legally permitted way and for any legally permitted purpose. The authorisation also includes the purchase of shares by subsidiaries of the company (Section 66 of the Austrian Stock Corporation Act). The Management Board was also authorised to withdraw repurchased treasury shares and treasury shares already held by the Company without any further resolution by the Annual General Meeting. The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the withdrawal of the shares. The authorisations granted by the resolution of the 27th Annual General Meeting on 8 July 2021 on agenda item 10 were revoked.

Furthermore, the Management Board was authorised by the 25th Annual General Meeting on 4 July 2019, for a period of five years, i.e. up to and including 3 July 2024, subject to the approval of the Supervisory Board, to sell or use the repurchased treasury shares or treasury shares currently held by the Company other than via the stock exchange or by public offer in particular for the purposes of stock transfer programmes, convertible bonds or as a consideration for the acquisition of entities, investments or other assets or for any other legal purpose, and to exclude a general purchase opportunity for shareholders.

As at 31 March 2024, the Group held no treasury shares.

Dividend per share In the financial year 2023/24, a dividend of € 0.40 (previous year: € 0.90) was paid out from the total profit of the financial year 2022/23.

23. Other reserves

The reclassification adjustments of the other comprehensive income realised in the profit for the year and the movement in other reserves are as follows:

€ in thousands	Currency translation differences	Financial assets at fair value through OCI	Hedging instruments for cash flow hedges	Remeasurement of obligations from post-employment benefits	Other reserves
Carrying amount 31 Mar 2022	**195,251**	**(39)**	**2,746**	**(10,049)**	**187,909**
Balance of unrealised changes before reclassification, net of tax	(143,188)	–	4,572	–	(138,616)
Transfer of realised changes recognised in the profit for the year, net of tax	–	–	–	–	–
Remeasurement of obligations from post-employment benefits	–	–	–	3,028	3,028
Available for sale financial assets, net of tax	–	–	–	–	–
Carrying amount 31 Mar 2023	**52,063**	**(39)**	**7,318**	**(7,021)**	**52,321**
Balance of unrealised changes before reclassification, net of tax	(114,154)	–	(6,059)	–	(120,213)
Transfer of realised changes recognised in the profit for the year, net of tax	–	–	–	–	–
Remeasurement of obligations from post-employment benefits, net of tax	–	–	–	(999)	(999)
Unrealised gains/losses on available-for-sale financial assets, net of tax	–	–	–	–	–
Carrying amount 31 Mar 2024	**(62,091)**	**(39)**	**1,259**	**(8,020)**	**(68,891)**

With regard to the presentation of income taxes attributable to the individual components of the other comprehensive income, including reclassification adjustments, reference is made to Note 6 “Income taxes”.

24. Hybrid capital

In January 2022, a hybrid bond with an issue volume of € 350,000 thousand and a coupon of 5.0% was placed. This hybrid bond has a perpetual maturity and can be called and redeemed after five years by AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, but not by the creditors. The proceeds of this hybrid bond will be reported as part of equity as this instrument satisfies the IAS 32 criteria for equity. Accordingly, coupon payments are also presented as part of the appropriation of profit. The issue costs of the hybrid bond amounted to € 2,676 thousand. If the bond is not terminated after five years, the interest rate changes to the applicable 5-year swaprate plus a mark-up of 9.942 percentage points.

25. Cash flow

In accordance with IAS 7, cash and cash equivalents comprise cash on hand and demand, deposits, and current, liquid investments that can be converted into known cash amounts at any time and which are only subject to an insignificant risk of changes in value. The indirect method was used to prepare the Consolidated Statement of Cash Flows.

Cash flow from operating activities before changes in working capital in the financial year 2023/24 was € 496,195 thousand (previous year: € 472,009 thousand), and Cash flow from operating activities amounted to € 653,380 thousand (previous year: € 476,370 thousand). The increase is mainly due to changes in working capital; trade and other receivables and contract assets declined by € 87,999 thousand (previous year: decline by € 4,476 thousand), and trade and other payables rose by € 89,308 thousand (previous year: decline by € -51,774 thousand). Cash Flow from changes in inventories increased by € -19,958 thousand (previous year: decline by € 41,076 thousand).

Cash flow from investing activities amounts to € -825,985 thousand and is lower than in the previous year (€ -1,044,861 thousand). Investing activities declined significantly in Chongqing and increased in Kulim and Hinterberg. The capital expenditure for property, plant and equipment decreased by € 242,182 thousand and proceeds from the sale of property, plant and equipment (€ 3,413 thousand) also fell significantly compared to the previous year (€ 104,811 thousand). The significantly higher cash inflows in the previous year resulted primarily from the change in the financing arrangements (leasing) for the construction activities in Hinterberg, Austria. As of 31 March 2024, liabilities due to investments amount to € 195,945 thousand (previous year: € 313,952 thousand).

Cash flow from financing activities in the financial year 2023/24 amounts to € 51,754 thousand. The decrease by € 210,969 thousand compared to the previous year is mainly due to the other liabilities to financing partners, which increased by € 198,161 thousand due to the financing of investment projects in Chongqing, China in the previous year and which did not change in the financial year 2023/24. Likewise, there was also no repayment of hybrid capital in 2023/24 (previous year: repayment of € -41,393 thousand).

€ in thousands	2023/24	2022/23
Cash flow from operating activities before changes in working capital	496,195	472,009
Cash flow from operating activities	653,380	476,370
Cash flow from investing activities	(825,985)	(1,044,861)
Free cash flow	(172,605)	(568,491)
Cash flow from financing activities	51,754	210,969
Change in cash and cash equivalents	(120,851)	(357,522)
Currency effects on cash and cash equivalents	5,603	29,339
Cash and cash equivalents at the end of the year	**676,490**	**791,738**

The balance of cash and cash equivalents at the end of the financial year 2023/24 was € 676,490 thousand (previous year: € 791,738 thousand). These are mainly used to ensure the financing of the future investment program.

The non-cash expense/income is as follows:

€ in thousands	2023/24	2022/23
Release of government grants	(11,238)	(10,516)
Other non-cash expense/(income), net	(17,598)	(24,111)
Non-cash expense/(income), net	**(28,836)**	**(34,627)**

Net debt reconciliation:

€ in thousands	2023/24	2022/23
Cash and cash equivalents	676,490	791,738
Financial assets	43,727	52,835
Financial liabilities, current	(518,189)	(662,433)
Financial liabilities, non-current	(1,605,037)	(1,033,346)
Net debt	**(1,403,009)**	**(851,207)**

	Other assets			
€ in thousands	Cash	Financial assets	Financial liabilities	Total
Amount as of 31 Mar 2022	1,119,921	23,413	(1,354,979)	(211,646)
Cash flows	(357,522)	2,630	(344,052)	(698,944)
Foreign exchange adjustments	29,339	201	2,744	32,284
Other non-cash movements	–	26,591	508	27,099
Amounts as of 31 Mar 2023	**791,738**	**52,835**	**(1,695,779)**	
Net debt 31 Mar 2023				**(851,207)**
Cash flows	(120,851)	1,962	(426,537)	(545,426)
Foreign exchange adjustments	5,603	229	1,882	7,714
Other non-cash movements	–	(11,299)	(2,792)	(14,091)
Amounts as of 31 Mar 2024	**676,490**	**43,727**	**(2,123,226)**	
Net debt 31 Mar 2024				**(1,403,009)**

V. OTHER DISCLOSURES

26. Earnings per share

Earnings per share are calculated in accordance with IAS 33 “Earnings per Share”.

Weighted average of outstanding shares The number of shares issued is 38,850,000. As of 31 March 2024, no treasury shares are held, which would have had to be deducted in the calculation of earnings per share.

The weighted average number of outstanding shares for the basic earnings per share calculation amounts to 38,850 thousand in the financial year 2023/24 and to 38,850 thousand in the financial year 2022/23.

The weighted average number of outstanding shares for the diluted earnings per share calculation amounts to 38,850 thousand in the financial year 2023/24 and to 38,850 thousand in the financial year 2022/23.

The following table shows the composition of the diluted weighted average number of outstanding shares in the respective periods:

in thousands	2023/24	2022/23
Weighted average number of shares outstanding – basic	38,850	38,850
Diluting effect	–	–
Weighted average number of shares outstanding – diluted	**38,850**	**38,850**

Basic earnings per share Basic earnings per share are calculated by dividing the profit for the period attributed to the shareholders of the Company by the weighted average number of outstanding ordinary shares in the same period.

	2023/24	2022/23
(Loss)/Profit for the year attributable to owners of the parent company (€ in thousands)	(54,194)	117,862
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850
Basic earnings per share (in €)	**(1.39)**	**3.03**

Diluted earnings per share Diluted earnings per share are calculated by dividing the profit for the period attributed to the shareholders of the Company by the weighted average number of outstanding shares including the number of potentially outstanding ordinary shares in the same period. The potentially outstanding ordinary shares comprise the additional shares to be issued for exercisable options or subscription rights and are included in diluted earnings per share.

	2023/24	2022/23
(Loss)/Profit for the year attributable to owners of the parent company (€ in thousands)	(54,194)	117,862
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850
Diluted earnings per share (in €)	**(1.39)**	**3.03**

27. Material events after the balance sheet date

On 10 May 2024, the Management Board of AT&S decided not to carry out a capital increase for the time being. Discussions with potential investors have been concluded. The company now intends to sell the plant in Ansan, Korea, which primarily serves the medical market. To further sharpen the Group's strategic profile, AT&S has decided, subject to favourable economic conditions and - if applicable - corresponding approvals, to consider the sale of the medical division and has initiated a staged competitive sale process. The medical division is located at the Ansan production site in South Korea and is owned by the wholly owned subsidiary, AT & S Korea Co., Ltd. From a Group perspective, this company generated revenue of € 75,610 thousand in the 2023/24 financial year (previous year: € 64,003 thousand) and EBITDA of € 37,884 thousand (previous year: € 27,935 thousand). Property, plant and equipment amounted to € 37,006 thousand in the 2023/24 financial year (previous year: € 38,093 thousand). Based on expressions of interest from potential investors, AT&S will decide on further steps after due diligence has been completed.

In addition, the Management Board of AT&S has decided to continue with the consistent implementation and further focus of the efficiency programs already underway to counteract the current price pressure in the market. In addition to comprehensive cost-cutting measures, there will also be a reduction of up to 1,000 employees at existing sites throughout the Group.

28. Related party transactions

In connection with various projects, the Group received consulting services from companies in which Supervisory Board chairman Mr Androsch (AIC Androsch International Management Consulting GmbH) is active:

€ in thousands	2023/24	2022/23
AIC Androsch International Management Consulting GmbH	363	363
Total	**363**	**363**

Members of the Management Board and the Supervisory Board

In the financial year 2023/24 and until the issue date of these consolidated financial statements, the following persons served on the *Management Board*:

- Andreas Gerstenmayer (Chairman)
- Peter Schneider (Deputy Chairman)
- Peter Griehsnig (since 1 April 2023)
- Petra Preining
- Ingolf Schröder

In the financial year 2023/24, the following persons were appointed members of the *Supervisory Board*:

- Hannes Androsch (Chairman)
- Regina Prehofer (First Deputy Chairwoman)
- Georg Riedl (Second Deputy Chairman)
- Hermann Eul
- Georg Hansis
- Robert Lasshofer
- Lars Reger
- Karin Schaupp
- Gertrude Tumpel-Gugerell

Delegated by the Works Council:

- Bianca Ernhardt
- Wolfgang Fleck
- Christa Köberl (since 20 December 2023)
- Günter Pint
- Siegfried Trauch
- Günther Wölfler (until 19 December 2023)

The number of outstanding stock appreciation rights and staff costs from stock appreciation rights granted are as follows:

	Number of outstanding stock appreciation rights		Staff costs (€ in thousands)	
	31 Mar 2024	31 Mar 2023	2023/24	2022/23
Andreas Gerstenmayer	150,000	150,000	213	(948)
Peter Schneider	90,000	60,000	78	(293)
Peter Griehsnig[1]	50,000	–	63	–
Petra Preining	60,000	30,000	46	–
Ingolf Schröder	90,000	60,000	78	(293)
Total Management Board members	**440,000**	**300,000**	**478**	**(1,534)**
Heinz Moitzi	5,000	**35,000**	(283)	**(586)**
Monika Stoisser-Göhring	–	–	–	(586)
Total	**445,000**	**335,000**	**195**	**(2,706)**

[1] Some of the allocations were made before being appointed as a member of the Executive Board.

The share price performance led to a reduction in staff costs in the financial year 2022/23, which is indicated by negative signs in the table.

For further details in this context, reference is made to the comments on the stock option plans under Note 14 “Trade and other payables”.

Total compensation to the members of the Management Board in accordance with IAS 24:

	2023/24			2022/23		
€ in thousands	Fixed	Variable	Total	Fixed	Variable	Total
Fixed and expected variable payments						
Andreas Gerstenmayer	647	838	1,485	647	2,366	3,013
Peter Schneider	449	176	625	449	176	625
Peter Griehsnig[1]	449	176	625	–	–	–
Petra Preining	449	176	625	225	216	441
Ingolf Schröder	449	176	625	449	176	625
Total Management Board members	**2,443**	**1,542**	**3,985**	**1,770**	**2,934**	**4,704**
Simone Faath	–	8	8	5	100	105
Heinz Moitzi	–	–	–	–	1,166	1,166
Monika Stoisser-Göhring	–	–	–	–	1,016	1,016
Total former Management Board members	**–**	**8**	**8**	**5**	**2,282**	**2,287**
Total fixed and expected variable payments	**2,443**	**1,550**	**3,993**	**1,775**	**5,216**	**6,991**
Reconciliation to the expense recognized in the financial statements	–	(569)	(569)	–	569	569
Total	**2,443**	**981**	**3,424**	**1,775**	**5,785**	**7,560**

[1] The remuneration in the 2023/24 financial year is shown from the first appointment to the Executive Board on April 1, 2023. Exercises of stock appreciation rights that were allocated before the appointment to the Executive Board are not included.

In the previous year, a provision of € 5,785 thousand for variable remuneration was recognised based on a provisorial calculation. The effective payment for variable remuneration of the Management Board amounted to € 5,216 thousand.

In the financial year 2022/23, the group of executive employees was adapted and now only comprises members of the Management Board.

The variable compensation of Andreas Gerstenmayer includes remuneration from stock appreciation rights amounting to € 518 thousand (previous year: € 1,725 thousand). In the previous year, the variable compensation of Andreas Gerstenmayer included a special premium of € 321 thousand. This payment was granted due to the significant effect on his activity on the Management Board resulting from the necessity to temporarily take over the responsibilities of the Chief Financial Officer for a longer period.

The item “Total former Management Board members” includes other benefits in connection with the termination of the Management Board Contract of Simone Faath. In the previous year, the variable compensation of Heinz Moitzi included renumeration from stock appreciation rights amounting to € 1,166 thousand. Also in the previous year, the variable compensation of Monika Stoisser-Göhring included remuneration from stock appreciation rights amounting to € 1,016 thousand.

Besides the above-mentioned compensation, € 64 thousand (previous year: € 64 thousand) was paid into a pension fund for Andreas Gerstenmayer, € 44 thousand (previous year: € 44 thousand) for Peter Schneider, € 42 thousand for Peter Griehsnig (previous year: € 0 thousand), € 44 thousand (previous year: € 20 thousand) for Petra Preining and € 44 thousand (previous year: € 44 thousand) for Ingolf Schröder. € 45 thousand was paid into a pension fund for the former Management Board member Simone Faath in the previous year.

In accordance with IAS 24, related persons are key management personnel who have direct or indirect authority and responsibility for planning, directing and controlling the activities of the entity; this includes managing directors of that entity.

Expenses for severance payments and retirement benefits for current and former members of the Management Board, executive employees, and their surviving dependents are as follows:

	Severance payments		Retirement benefits	
€ in thousands	2023/24	2022/23	2023/24	2022/23
Expenses recognised in profit for the period	119	157	238	217
Remeasurement recognised in other comprehensive income	(5)	13	–	–

Total remuneration for services rendered personally by members of the Supervisory Board attributable to the financial year and proposed to the Annual General Meeting:

€ in thousands	2023/24	2022/23
Hannes Androsch	159	170
Regina Prehofer	125	124
Georg Riedl	140	137
Hermann Eul	69	75
Georg Hansis	56	62
Robert Lasshofer	86	84
Lars Reger	56	62
Karin Schaupp	56	62
Gertrude Tumpel-Gugerell	76	73
Total	**823**	**849**

29. Expenses for the Group auditor

The expenses for the financial year for the Group auditor are as follows:

€ in thousands	2023/24	2022/23
Audit of consolidated and separate financial statements	739	589
Other assurance services	777	33
Other services	422	44
Total	**1,938**	**666**

This item also includes expenses for other network members of the Group auditor, e.g. for the audit of financial statements of subsidiaries or tax consulting services. Other assurance services include expenses for various projects. Other services primarily include expenses in connection with strategic projects.

30. Number of staff

The average numbers of staff in the financial year are as follows:

	2023/24	2022/23
Waged workers	9,046	9,854
Salaried employees	4,782	5,426
Total	**13,828**	**15,280**

The calculation of the number of staff includes an average of 309 leased personnel for the financial year 2023/24 and an average of 383 for the financial year 2022/23.

Leoben-Hinterberg, 13 May 2024

The Management Board

Andreas Gerstenmayer m.p

Peter Schneider m.p   Peter Griehsnig m.p.   Petra Preining m.p.   Ingolf Schröder m.p.

GROUP MANAGEMENT REPORT 2023/24

Table of contents

1. MARKET AND INDUSTRY ENVIRONMENT

1.1. General economic environment

In 2023, the economy largely returned to pre-COVID-19 conditions. Supply chains and demand stabilized, while central banks tightened the monetary reins to curb inflation.

In most regions, headline inflation slowed from the peaks experienced in 2022. However, core inflation, which excludes volatile prices for food and energy, proved stickier. Consumer demand remained muted in most major economies, as inflation and high interest rates reduced purchasing power. Global output, measured by Gross Domestic Product (GDP), increased by an estimated 3.1% in 2023, with advanced economies experiencing slower growth than emerging market and developing economies. GDP grew by 0.5% in the euro area, by 5.2% in China, and by 2.5% in the United States. Projections for 2024 predict a global GDP growth of 3.1%.[1]

Conflicts and geopolitics continued to play a significant role on the international stage. One of the most discussed topics was the continued effort of the United States, supported by European and Asian partners, to restrict Chinese access to advanced technologies via export restrictions and bans targeting an increasing number of Chinese companies. The ongoing war in eastern Ukraine and, since Autumn 2023, and the ongoing bombardment of the Gaza strip by the Israeli army following an attack by Hamas on 7 October 2023 have also contributed to the increase of tensions in the Middle East as well as internationally.

The war in Gaza has already spawned new tensions in the Red Sea, where Yemeni Houthis have begun targeting commercial ships in retaliation for Israel's actions in Gaza. The attacks have spurred major shipping companies to re-route shipping around Africa; the impact on logistics was mostly felt on Europe-Asia trade routes, and has so far amounted to longer delivery times and increased costs.

Climate has also contributed to headwinds for economic recovery; the Panama Canal has experienced significant disruptions due to low water levels; reduced capacity at the canal is expected to continue to impact the trade route going forward.

1.2. Industry environment

Semiconductor

During most of 2023 the semiconductor industry followed normal historical seasonal patterns, gradually recovering, especially during the second half of the year, from the downturn started in late 2022. The challenging macroeconomic conditions present in advanced economies, including high inflation, high interest rates, and low consumer demand, significantly impacted the semiconductor industry: global semiconductor industry sales totaled US$526.8 billion in 2023, a decrease of 8.2% compared to the 2022 total of US$574.1 billion.[2]

A significant portion of the sales in 2023 was fueled by sell-through of inventories, which remained high throughout the year for most applications. Industrial and automotive, which initially showed resilient growth carrying over from 2022, also slowed down in the second half due to the excessive inventory build-up and weaker demand.

Client computing was the segment most impacted by low demand. Spending on infrastructure, particularly in the area of data centers, remained more resilient, albeit softer than in 2021 and 2022.

The build-up of the infrastructure required to support Artificial Intelligence (AI)-related services caused a significant shift in spending towards high average selling price (ASP) Graphics Processing Units (GPUs) and accelerator cards, creating a prominent pocket of growth. This trend mostly benefitted NVIDIA, but AMD was also able to further expand its market share. This shift in spending partly reduced expenditures for traditional servers. The growth of AI-related hardware is expected to continue throughout 2024 and in the mid-term.

Low demand and inventory effects hit back-end manufacturers such as substrate suppliers particularly hard, a fact reflected in the continued downgrading of estimates of the Advanced Substrate (including flip-chip, system-in-package, and embedded die) market for 2023. For example,

[1] IMF, "World Economic Outlook Update", January 2024

[2] Semiconductor Industry Association, Press release "Global Semiconductor Sales Decrease 8.2% in 2023; Market Rebounds Late in Year", February 2024

the estimate for the total Flip-Chip Ball Grid Array (FC-BGA) market in 2023 was reduced by 23% to US$6.8 billion from March to November 2023.[3] Forecasts for the FC-BGA market were also corrected to the downside: the FC-BGA market is now expected to amount to US$10.6 billion in 2028 (previously US$12 billion in 2027).[4]

Looking ahead, 2024 is expected to be a transition year, with the first half still affected by low demand, inventory corrections, and tight monetary policies; tailwinds are not expected before the second half of the calendar year. The on-going geopolitical tensions provide additional risks that could lead to further headwinds for global growth. Divergent policies confronting these issues are poised to maintain high uncertainty and reduce visibility throughout 2024.

Consumer, computing, communication

The weakness in demand for the Consumer, Computing, and Communication (3C) segments carried over from 2022 to 2023, impacting shipment volumes of most consumer electronics devices such as smartphones, PCs, tablets, and some wearable products. Major challenges include inventory digestion across the entire supply chain, weak demand from major market such as China, and other macroeconomic and geopolitical headwinds. As a result, many major consumer applications recorded a year-over-year decline from negative impacts on both the supply and demand sides.

Global smartphone shipments declined 3.2% to 1.17 billion units in 2023, with the Chinese market declining 5.0%.[5,6] While overall shipments declined, 5G smartphone still recorded a 10% rise.[7] The fourth calendar quarter saw 8.5% growth compared to the corresponding period last year and 326.1 million shipments, indicating potential stabilisation or even the beginning of a slow recovery in 2024.[5]

In 2022, PC shipment volume had plummeted 16.5%, and there was an additional 13.9% contraction in 2023. This downturn continues to reflect the aftermath of the significant surge in PC purchases driven by the COVID-19 pandemic[8]. However, the total volume of 260 million units were comparable to pre-pandemic PC volume shipments of 268 million units (5-year average, 2015-2019).[9]

The decline in end device sales coupled with increased price pressure is reflected in the PCB sales figures for 2023, which showed a decrease of 11.5% to US$18.1 billion for Communication (including smartphones), fell 16.8% to US$15.3 billion for Computing, and fell 14.4% to US$7.2 billion for Consumer. The latest mid-term outlook for 2029 is US$20.1 billion, US$23.5 billion, and US$9.1 billion for Computing, Communications, and Consumer respectively[4].

Looking at 2024, slow demand recovery and continued destocking are expected to continue to impact the 3C market. Recovery is expected to center around AI-related applications such as AI servers (storage, accelerator), High-Performance Computing (HPC), and networking.

Consumer applications with AI enhanced features are also expected to benefit from the increasing AI trend – in addition to the 2.8% increase in smartphone shipment in 2024, 170 million next-gen AI smartphones are forecasted to ship in 2024, representing almost 15% of the total smartphone market.[10] Shipments of AI PCs – personal computers with specific system-on-a-chip (SoC) capabilities designed to run generative AI tasks locally – is expected to reach 50 million units in 2024.[11]

Automotive

Global automotive production reached 90.6 million vehicles in 2023, a 10% increase compared to the 82 million of 2022, thanks to fading supply side constraints and a better than expected economic and demand backdrop underpinned by a robust global Light Vehicle (LV) performance through 2023. While the near-term LV outlook has been revised upward, the mid-term estimate (2026-2030) has been cut by 1.2 million units annually. The bulk of this forecast adjustment reflects a more conservative view on the development of the market in China.[12]

3 Prismark Partners, "Application Forecasts", November 2023
4 Prismark Partners, "Application Forecasts", February 2024; The 2023-2028 CAGR was used to extrapolate the 2028 figures provided by the source to 2029
5 IDC, Press release „Apple Grabs the Top Spot in the Smartphone Market in 2023 along with Record High Market Share Despite the Overall Market Dropping 3.2%, According to IDC Tracker", January 2024
6 IDC, Press release "Apple Captures the Top Spot in the China Smartphone Market in 2023 for the First Time Ever, Despite the Overall Market Dropping 5.0%, According to IDC Tracker", January 2024
7 IDC, "Quarterly Mobile Phone Tracker", February 2024
8 IDC, Press release "Worldwide PC Shipments Declined 2.7% Year Over Year in the Fourth Quarter of 2023 but Visions of Growth Lie Ahead, According to IDC", January 2024
9 IDC, "Quarterly Personal Computing Device Tracker", February 2024
10 IDC, Press release "Worldwide Smartphone Recovery Is Happening as Shipments Are Forecast to Grow 2.8% in 2024, According to IDC", February 2024
11 IDC, Press release "IDC Forecasts Artificial Intelligence PCs to Account for Nearly 60% of All PC Shipments by 2027", February 2024
12 LMC Automotive, "Global Light Vehicle Forecast", January 2024

The Automotive PCB market decreased by 2.7% in 2023 to US$8.7 billion, due to a combination of price pressure and high inventory, and is expected to reach US$11.6 billion in 2029.[4]

The slowdown in global growth for Battery Electric Vehicle (BEV) sales persisted in the final months of 2023, despite a record number of BEVs delivered in November, which resulted in yearly sales of 10 million BEV cars in 2023, up 30%.[13] Growth in electrified vehicles including hybrids (up 35%) outpaced that of BEVs, marking an unusual shift, as BEVs have usually been the fastest-growing vehicle type in recent years.

Semiconductor shortages faded in 2023, but concerns over the supply of lithium in the mid–term could undermine the pace of the transition to BEVs. A high-price policy of some Original Equipment Manufacturers (OEMs) could persist, but the reduction in the number of produced models could ease the situation thanks to a concurrent optimization of vehicle inventory.

The automotive industry continues to be propelled forward by the adoption of Electrification and the advancement of Advanced Driver Assistance Systems (ADAS) and Autonomous Driving (AD). A significant portion of this growth is attributed to China. The market for Battery Electric Vehicles in China accounted for 50% of global BEV growth. The share of Chinese BEVs in Europe grew from 5% in 2022 to almost 9% in 2023, and has put European OEMs under an increasing amount of competition. The BEV market in the United States grew by 47% in 2023, following a period where it seemed to lag behind developments in China and much of Europe.[12] This resurgence was driven by investments into new models by original equipment manufacturers, along with substantial government incentives and an expanding charging infrastructure.

Medical

After navigating the complex COVID-19 pandemic for about three years, medical device companies experienced a return to normalcy in 2023. Challenges such as low procedure volumes, hospital staffing shortages, and supply chain issues either subsided or were managed through strategic measures. Economic pressures eased, allowing some companies in the medical technology sector to achieve more typical growth rates.

The PCB market for medical declined 7.3% to US$1.4 billion in 2023, as a result of strong inventory corrections, but it is expected to grow 3.1% in 2024, and at a 2023-2029 CAGR of 3.7% to reach US$1.7 billion.[4] Industry trends in the upcoming year might be significantly influenced by the evolution of the current challenging macroeconomic conditions, including high interest rates and inflation.

In 2023, the US Food and Drug Administration (FDA) set a new record by approving the highest number of new medical technologies in a single year. This result was attributed to various factors, including a surge in approvals for AI and machine-learning-enabled medtech products, advancements in miniaturization, enhanced visualization driving approvals in cardiology and urology, and steady growth in neuromodulation and robotics. Additionally, waiting times for FDA reviews decreased by nearly 15% from 2020 to 2022. It is expected that the pace of innovation in 2024 will exceed 2020-2022 levels, with devices for cardiology, digital health, and neuromodulation continuing to gain momentum.[14]

Also on the regulatory side, the boundary between the consumer and medical device markets has been getting progressively blurrier. For example, since 2022 consumer device companies (such as Sony, HP, Bose) have been granted a growing number of applications for Over-The-Counter (OTC) hearing aids by the FDA, which allowed them to put hearing aid players in the US market (such as GN, Nuheara, Sonova) increasingly under pressure. The trend is also visible for Continuous Glucose Monitoring (CGM) devices, where large CGM players aim to enlarge their customer base by selling CGMs without prescription to consumers not yet subject to medical treatment, potentially creating a new market.[15]

Industrial & infrastructure

The Internet of Things (IoT) and data-driven networks, powered by an array of devices and sensors, have become relevant tools for optimizing operations and processes. Mainly since the COVID-19 pandemic, organizations have increasingly relied on IoT data to enhance the flexibility and resilience of their operations. As investment in IoT

[13] Bank of America Global Research, “EV Tracker”, February 2024
[14] McKinsey, “What to expect from medtech in 2024”, February 2024
[15] MedTech Dive, “Why medtech firms are putting diabetes tech in consumer devices”, August 2023

ecosystems surges, notably led by manufacturing sectors, the emphasis remains on the exponential growth of connected devices and the vast volume of data they generate across diverse categories. IoT investment is set to exceed US$1 trillion by 2026, with a growth rate of 10.4% from 2022 to 2027. It is estimated a total of 56.9 billion connected devices were installed worldwide in 2023.[16]

An enabler of these connected devices is 5G technology. As the 5G capital expenditure cycle enters its fourth year, the pace of investment in mobile infrastructure is slowing down. Major vendors are witnessing significant drops in year-over-year spending on Radio Access Network (RAN) equipment, notably in regions like the United States and China. Although low-band 5G deployments are reaching maturity, there is still considerable room for investment in mid-band (e.g., 2.5GHz, 3–4GHz) and high-band (e.g., 24GHz, 28GHz, and 39GHz) builds. Telecom operators, however, have been investing in the mid-band and in 5G Standalone (SA) with caution, due to high interest rates and an overall uncertain macroeconomic outlook. In the mid-term, the on-going 5G Advanced releases from 3GPP that started in 2023 and the steady increase in data traffic are expected to eventually bring about the upgrade to 5G SA.[17]

6G technology is already being actively developed by big industry players and is on the agenda of regulators and standardization institutions, with commercialization predicted by 2030. 6G is expected to be the “AI native network”, supported by the use of recombinant technologies, such as cloud-native network functions, machine learning, AI, and network slicing.[18] However, given the low penetration rate of 5G mmWave so far – less than 10%, estimated to be less than 30% by 2028 – it is currently not clear whether the market will demand upper mmWave/THz at 6G in high volume or only for specific use cases.

The consolidated PCB market for Communication, including infrastructure and end devices declined by 11.5% to US$18.1 billion in 2023, and it is expected to grow by 3.5% in 2024, and at a 4.6% CAGR between 2023-2029 to US$23.5 billion. Despite the positive perspective for connected devices in the medium term, it is estimated that the PCB market for industrial electronics declined 13.6% to US$2.8 billion in 2023, due to high inventories and weaker than expected manufacturing in China. The PCB market for the Industrial electronics segment is expected to grow by 3.7% in 2024, and at a 4.4% CAGR in the 2023-2029 timeframe to US$3.6 billion.[4]

1.3. Industry and technology trends

Impact of AI on substrate demand

The rush to provide AI-powered services caused a surge in spending for the infrastructure needed to power them, that is servers with GPUs or accelerator cards. This surge has caused a delay in refresh cycles of traditional servers, as most capital expenditures were redirected towards high ASP AI-hardware.

Meanwhile, supply of the GPUs has largely been constrained by the limited capacity for one of the steps required in the manufacturing of those products, namely the assembly of the silicon interposer. This bottleneck has limited the growth experienced by back-end manufacturers, but should be partially resolved as additional capacity comes on-line in 2024/25.

From a more technical perspective, AI-systems have so far presented limited opportunities for substrate-makers beyond the additional volumes generated by the high-demand for these systems. GPUs and accelerator cards currently rely on the presence of a large quantity of high-speed memory on the package. The need for high-speed interconnects between memory and logic dies is mostly addressed with silicon interposers, which allows designers to avoid increasing the complexity of the underlying organic substrate.

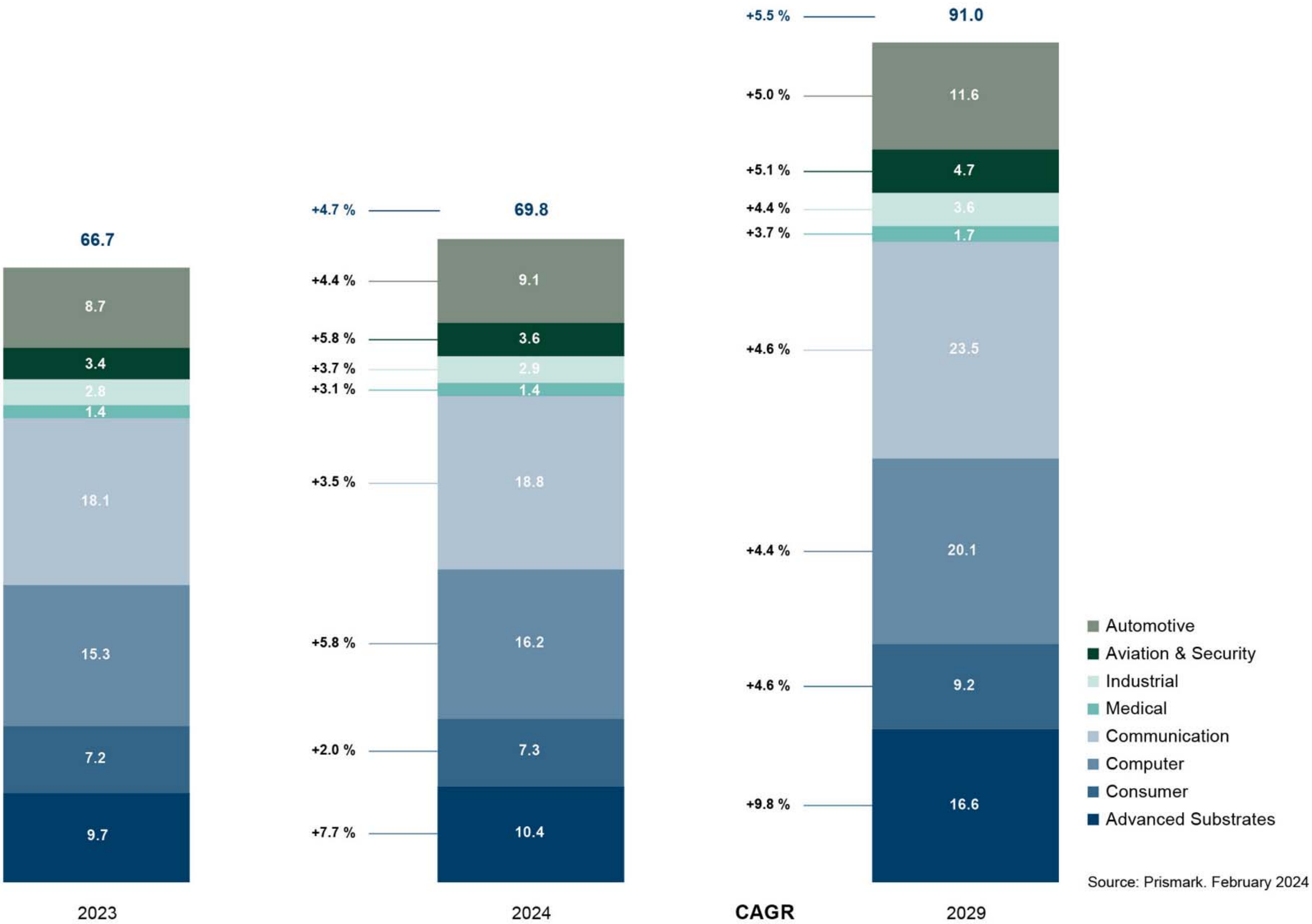
On the other hand, the increasing package size and the rising power draw of GPUs and accelerators pose increasing technical challenges for the design of packages, potentially creating opportunities for solutions that address aspects such as thermal management and warpage as well as voltage drop and other signal integrity issues at the substrate level.

[16] IDC Global DataSphere, “IoT Device Installed Base and Data Generated Forecast”, September 2023

[17] IDC, “5G Network Infrastructure Forecast, 2023–2027”, December 2023

[18] IDC, Brooklyn 6G Summit 2023, November 2023

SUBSTRATES AND PCB MARKET
US$ in billions



Source: Prismark. February 2024

2. ECONOMIC REPORT

2.1. Overall development of the Group

AT&S in a challenging environment

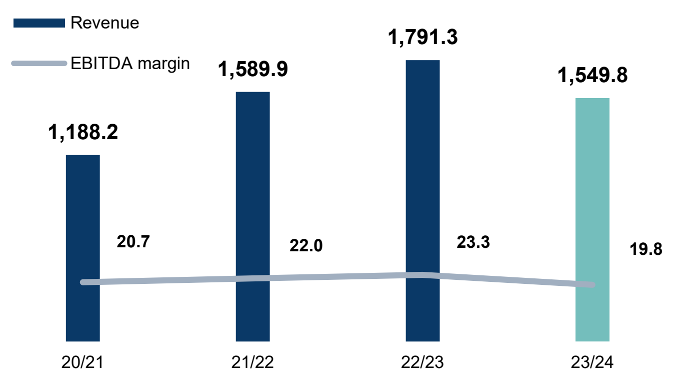
AT&S operated in a challenging market environment in the financial year 2023/24. After a strong second quarter, demand was relatively weak again in the some market segments in the third and fourth quarters. The markets for mobile devices and industrial applications weakened significantly. While notebooks and PCs saw a slight recovery, the market for servers slowed down further. In this environment, AT&S continued to push its efficiency programmes, which were intensified a year ago, to ensure a sustainable optimisation of the Company's cost structure.

AT&S reorganised its "Mobile Devices & Substrates" and "Automotive, Industrial & Medical" segments with effect from 1 April 2023. The Company's new structure comprises the business units "Electronics Solutions" and "Microelectronics". Reporting has therefore been adapted accordingly. "Electronics Solutions" bundles the printed circuit board and module activities across the Group, while "Microelectronics" focuses on IC substrates.

Compared to the record level of the previous year, consolidated revenue declined by 13.5% to € 1,549.8 million in the financial year 2023/24 (previous year: € 1,791.3 million).

DEVELOPMENT OF REVENUE AND EBITDA MARGIN

€ in millions/in % of revenue



This development was primarily driven by the fundamental changes in the economic environment, which led to a decline in revenue, in particular in the Electronics Solutions segment.

A general market recovery is expected in the industries relevant for AT&S in the second half of 2024. It is consequently assumed that capacity utilisation at the Company's existing plants will improve and AT&S is prepared for the rebound of the market with the go-live of the plant in Kulim, which is scheduled for the end of the financial year. AT&S therefore expects to have a good chance to participate in a market recovery with its improved cost structure.

2.2. Earnings development in the Group

Revenue down 13.5%

Revenue declined by 13.5% compared to the previous year and amounted to € 1,549.8 million, at € 1,791.3 million, the revenue of the previous year was the highest revenue ever generated in the history of AT&S.

Both segments recorded a decline in revenue in the financial year 2023/24. While revenue in the Electronics Solutions segment was down 19.4% on the strong prior-year figure, the decline in the Microelectronics segment amounted to 3.0%.

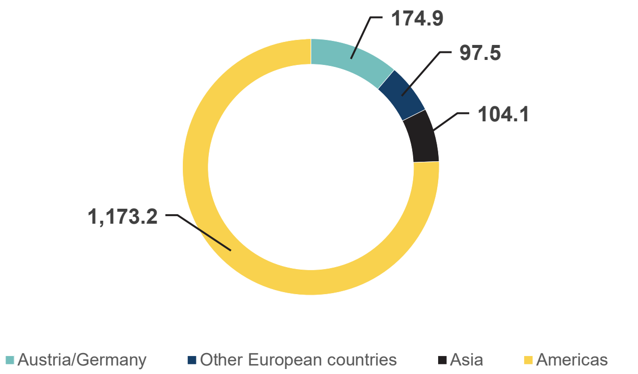
Foreign exchange effects had a negative impact of € 48.3 million or 3.1% on the development of revenue. 87.9% of revenue (previous year: 88.6%) was invoiced in foreign currencies (primarily US dollars).

Revenue in the first and second quarters of the financial year was significantly higher than in the last two quarters of the financial year 2022/23. Starting in the third quarter, the market climate in the two segments deteriorated, thus leading to a decline in demand.

The regional revenue structure based on customers' headquarters shows a share of 75.7% for America, compared 76.8% in the previous year. The share of products manufactured in Asia declined slightly from 90.0% to 88.3%.

REVENUE BROKEN DOWN BY REGION, based on customers´ headquarters

€ in millions

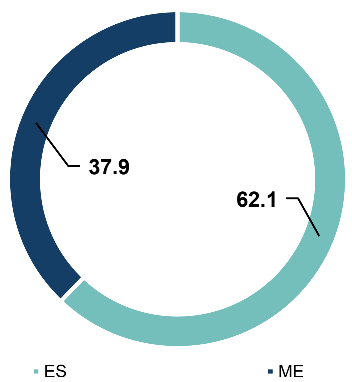


The effects of recognising revenue over time, which is required for a number of customers in accordance with IFRS 15, led to a decrease in revenue by € 12.1 million or 0.8% (effect in the previous year: decrease by € 34.8 million or 1.9%). For further information please refer to the notes to the consolidated financial statements.

Revenue split by segment shows the following picture:

REVENUE FROM EXTERNAL CUSTOMERS BY SEGMENT

in %



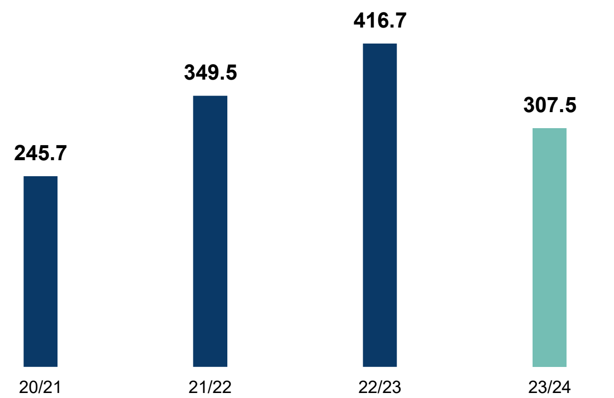
The share of the Electronics Solutions (ES) segment in third-party revenue declined to 62.1% (previous year: 66.7%) share of the Microelectronics (ME) segment increased to 37.9% (previous year: 33.3%). Further information on the development of the segments is provided in Section 2.3 “Earnings development in the segments”.

EBITDA € 307.5 million, EBITDA margin 19.8%

EBITDA, at € 307.5 million, was significantly lower than in the previous year (€ 416.7 million). The decline in revenue and a related decrease in gross profit had a negative influence on earnings, whereas lower selling and administrative costs supported the operating result. Other operating income was significantly lower than in the previous year and was negatively influenced in particular by higher start-up losses, lower grants, and higher negative currency effects from the measurement of receivables and liabilities in non-Group currencies. Currency effects which resulted primarily from the translation of international subsidiaries to the reporting currency had a positive effect of € 6.8 million on EBITDA.

DEVELOPMENT OF EBITDA

€ in millions



The EBITDA margin declined by 3.4 percentage points from 23.3% in the previous year to 19.8%.

The higher start-up costs of € 81.6 million (previous year: € 54.7 million) resulted primarily from the continuation and expansion of the construction activities in Hinterberg and Kulim.

Adjusted for start-up costs, EBITDA amounted to € 384.3 million (previous year: € 469.6 million), which corresponds to decline by 18.2%.

The EBITDA margin adjusted for start-up costs declined from 26.2% in the previous year to 24.8%.

Decrease in expense items

The decline in cost of sales by € 149.7 million to € 1,366.9 million results primarily from lower revenue coupled with lower personnel and material costs. Research & development expenses also declined, whereby AT&S also invested € 155.4 million in research and development in the financial year 2023/24 (previous year: € 183.4 million) in preparation for future technology generations and to pursue the modularisation strategy. These expenditures make the Company future-proof and significantly expand the earnings potential in the medium term.

Positive currency effects increased the reduction of cost of sales by € 66.9 million.

Administrative and distribution costs were € 10.9 million or 8.7% lower than in the previous year.

The other operating result declined from € -3.2 million to € -37.4 million. The deterioration was mainly due to higher start-up losses of € 81.6 million (previous year: € 54.7 million), which were caused, in particular, by the continued and expanded construction activities in Hinterberg and Kulim. However, a decline in grants by € 9.8 million to € 30.9 million (previous year: € 40.7 million) and the reduced exchange rate result from the measurement of receivables and liabilities of € 7.6 million (previous year: € 11.7 million) also had a negative impact.

Depreciation of property, plant and equipment and amortisation of intangible assets of € 276.4 million or 8.1% of non-current assets (previous year: € 270.5 million or 10.0% of non-current assets) reflect the high technical standard and the intensity of investment of AT&S. The increase by € 5.9 million compared with the previous year resulted from an increase in depreciation and amortisation by € 12.0 million in the Microelectronics (ME) segment and a decline by € 7.1 million in the Electronics Solutions segment (ES). While the higher depreciation and amortisation in the Microelectronics (ME) segment is primarily attributable to the plants in Hinterberg and Kulim, the decline in depreciation and amortisation in the Electronics Solutions (ES) segment is primarily related to the plant in Shanghai.

The operating result (EBIT) increased by € 115.1 million or 78.7% to € 31.1 million (previous year: € 146.2 million) due to the above-mentioned effects.

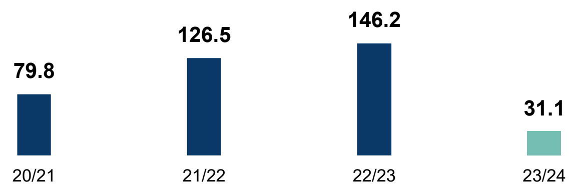
The EBIT margin declined by 6.2 percentage points percentage points to 2.0% (previous year: 8.2%).

RESULT KEY DATA

€ in millions (unless otherwise stated)	2023/24	2022/23	Change
Revenue	1,549.8	1,791.3	(13.5%)
Operating result before interest, tax, depreciation and amortisation (EBITDA)	307.5	416.7	(26.2%)
EBITDA margin (%)	19.8%	23.3%	
Operating result (EBIT)	31.1	146.2	(78.7%)
EBIT margin (%)	2.0%	8.2%	
Profit for the year	(36.7)	136.6	(>100%)
Earnings per share (€)	(1.39)	3.03	(>100%)
Additions to fixed assets	1,110.5	1,234.1	(10.0%)
Average number of staff (incl. leased personnel)	13,828	15,280	(9.5%)

DEVELOPMENT OF EBIT

€ in millions



Finance costs – net

Finance costs – net declined from € 21.6 million to € -50.4 million. Interest expense on bank borrowings and bonds amounted to € 65.1 million (previous year: € 23.9 million). This includes capitalised interest on borrowings related to the acquisition of qualifying assets, which rose by € 5.5 million to € 12.7 million (previous year: € 7.2 million) and reduced expenses.

Interest on social capital amounted to € 2.1 million and exceeded the prior-year level of € 0.4 million.

The hedging of the interest rate risk with hedging instruments (measurement and realised result) resulted in a gain of € 6.0 million (previous year: gain of € 7.7 million). The hedging instruments swap variable for fixed interest payments.

The disposition of available liquidity in the money market resulted in an investment result of € 25.6 million (previous year: € 12.3 million).

Finance costs – net are influenced by currency effects because investments are in part denominated in foreign currency. In the financial year 2023/24, lower positive exchange rate differences had a negative impact on finance costs – net Exchange rate differences of € 4.8 million were recognised as income (previous year: income of € 37.5 million). The exchange rate differences resulted predominantly from the measurment liquid foreign currency funds and realised exchange rate gains from Group financing.

The main intragroup loans are long-term in nature and their repayment is neither scheduled nor probable in the foreseeable future. These loans are therefore recorded directly in equity through the statement of comprehensive income.

Profit for the year declined

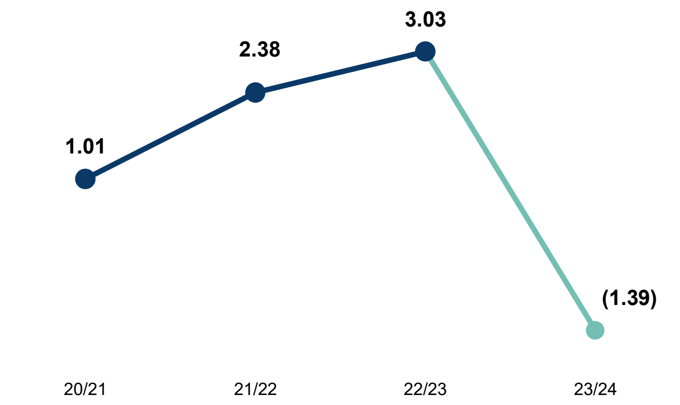
Profit for the year decreased from € 136.6 million in the previous year by € 173.3 million to € -36.7 million. The Group's tax expense amounts to € 17.4 million (previous year: € 31.2 million).

Current income taxes declined to € 24.6 million (previous year:€ 26.1 million). In contrast to the previous year, deferred taxes resulted in income of € 7.2 million (previous year: € -5.1 million).

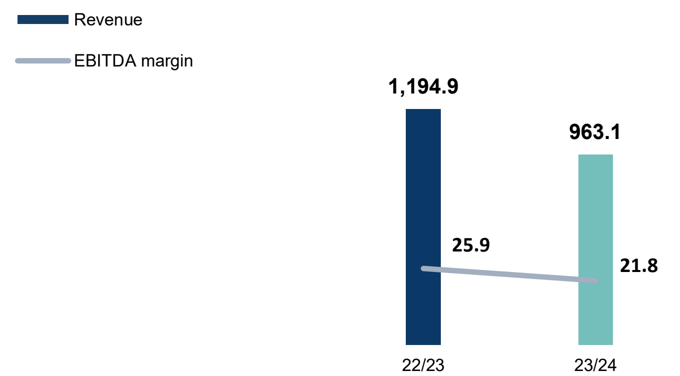
AT&S China already obtained the favourable tax status as a "high-tech company" over the past years. The tax status has now been granted as of 1 January 2023, is valid for three years and is dependent on achieving certain criteria each year. AT&S Chongqing has also been granted this tax status for the calendar years 2022 to 2024.

Earnings per share decreased from € 3.03 to € -1.39, with the number of shares outstanding remaining unchanged. In the calculation of earnings per share, interest on hybrid capital of € 17.5 million (previous year: € 18.8 million) was deducted from the profit for the year.

EARNINGS PER SHARE
in €



ELECTRONICS SOLUTIONS – DEVELOPMENT OF REVENUE, EBITDA MARGIN
€ in millions/in % of revenue



2.3. Earnings development in the segments

Electronics Solutions segment

The Electronics Solutions segment was faced with a changed market environment in the financial year 2023/24, which led to a significant decline in revenue.

With a revenue share of 62.1 % (previous year: 66.7 %, the Electronics Solutions segment is still the largest segment of the AT&S Group.

Revenue, at € 963.1 million, was down € 231.9 million or 19.4% on the prior-year figure of € 1,194.9 million, this was due in particular to lower demand and, consequently, a decline in volume produced, as well as to price discounts. Revenue was also negatively influenced by the foreign exchange development, so overall revenue growth was € 26.7 million lower. In terms of geography, revenue from American customers declined.

SEGMENT ES (ELECTRONICS SOLUTIONS) – OVERVIEW

€ in millions (unless otherwise stated)	2023/24	2022/23	Change
Segment revenue	963.1	1,194.9	(19.4%)
Revenue from external customers	962.9	1,194.9	(19.4%)
Operating result before depreciation and amortisation (EBITDA)	210.2	310.0	(32.2%)
EBITDA adjusted[1]	210.2	310.0	(32.2%)
EBITDA margin (%)	21.8%	25.9%	
EBITDA margin adjusted (%)[1]	21.8%	25.9%	
Operating result (EBIT)	102.5	195.1	(47.5%)
EBIT adjusted[1]	102.5	195.1	(47.5%)
EBIT margin (%)	10.6%	16.3%	
EBIT margin adjusted (%)[1]	10.6%	16.3%	
Additions to property, plant and equipment and intangible assets	85.8	120.8	(29.0%)
Employees (incl. leased personnel), average	7,274	7,784	(6.5%)

[1] Adjustment start-up costs.

The segment's **EBITDA** amounted to € 210.2 million, down € 99.7 million or 32.2% on the prior-year figure of € 310.0 million. Positive effects from currency translation supported earnings in the amount of € 8.9 million.

The **EBITDA margin** of the Electronics Solutions segment amounted to 21.8%, down 4.1 percentage points on the prior-year margin of 25.9%.

The segment's **depreciation and amortisation** declined by € 7.1 million or 6.2% from € 114.8 million to € 107.7 million. The decline was primarily attributable to lower depreciation and amortisation at the Shanghai site.

The operating result (**EBIT**) decreased by € 92.6 million to € 102.5 million (previous year: € 195.1 million). The EBIT margin dropped by 5.7 percentage points to 10.6% (previous year: 16.3%) due to the decline in EBIT.

Additions to assets declined by € 35.0 million or 29.0% to € 85.8 million (previous year: € 120.8 million). The additions related in particular to ongoing replacement investments and technology upgrades at the sites in Chongqing and Shanghai.

Microelectronics segment

The challenging market environment also caused a year-on-year decline in revenue in the Microelectronics segment. The successful ramp-up of production at plant III in Chongqing led to increased capacity. AT&S is prepared for a rebound in the market with the go-live of the plant in Kulim, Malaysia, which is scheduled for the end of the financial year. AT&S currently expects to have a good chance to benefit from a market recovery.

Negative currency effects reduced earnings by € 2.4 million.

The segment's revenue, at € 655.0 million fell short of the prior-year level of € 675.3 million.

EBITDA fell by € 19.6 million or 16.9% to € 96.1 million (previous year: € 115.7 million). Gross profit was not increased, primarily due to lower revenue. The increase in start-up costs and lower grants for research expenditures also had a negative impact on earnings. Start-up costs from the continued construction activities in Kulim and Hinterberg amounted to € 77.6 million, exceeding the prior-year value of € 53.2 million by € 24.4 million.

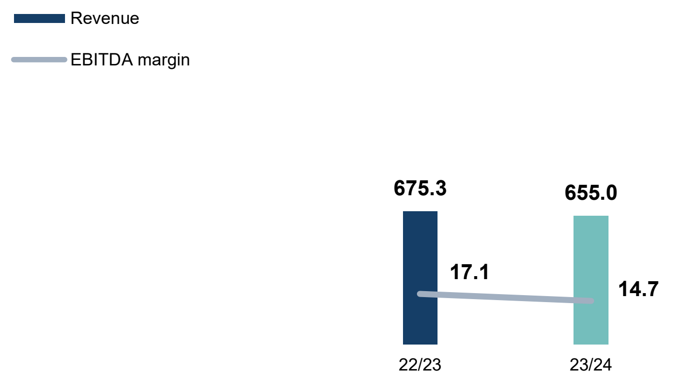
SEGMENT ME (MICROELECTRONICS) – OVERVIEW

€ in millions (unless otherwise stated)	2023/24	2022/23	Change
Segment revenue	655.0	675.3	(3.0%)
Revenue from external customers	586.9	596.4	(1.6%)
Operating result before depreciation and amortisation (EBITDA)	96.1	115.7	(16.9%)
EBITDA adjusted[1]	168.9	167.1	1.1%
EBITDA margin (%)	14.7%	17.1%	
EBITDA margin adjusted (%)[1]	25.8%	24.7%	
Operating result (EBIT)	(65.1)	(33.5)	(94.1%)
EBIT adjusted[1]	12.5	19.7	(36.4%)
EBIT margin (%)	(9.9%)	(5.0%)	
EBIT margin adjusted (%)[1]	1.9%	2.9%	
Additions to property, plant and equipment and intangible assets	996.1	1,056.9	(5.8%)
Employees (incl. leased personnel), average	6,106	7,081	(13.8%)

[1] Adjustment start-up costs.

MICROELECTRONICS – DEVELOPMENT OF REVENUE, EBITDA MARGIN

€ in millions/in % of revenue



The **EBITDA margin** declined by 2.4 percentage points to 14.7% (previous year: 17.1%).

The operating result (**EBIT**) changed by € -31.6 million to € -65.1 million (previous year: € -33.5 million).

The **EBIT margin** of the Microelectronics segment at -9.9%, was 4.9 percentage points lower than the prior-year-value of -5.0% due to due to lower revenue, increased price pressure, a less favourable product mix, higher start-up costs as well as higher depreciation and amortisation.

Additions to assets declined by € 60.9 million to € 996.1 million (previous year: € 1,056.9 million). The additions were primarily related to construction activities at the plants in Kulim and Hinterberg.

Others segment

The result of the general holding activities included in the Others segment was € 10.2 million higher than in the previous year, with EBITDA amounting to € 1.2 million (previous year: € -9.0 million). The main reasons for the positive deviation were increased charging from holding and corporate activities to the operating segments, an increase in grants received as well as lower expenses for legal, IT, and consulting services.

OTHERS SEGMENT – OVERVIEW

€ in millions (unless otherwise stated)	2023/24	2022/23	Change
Segment revenue	0.0	–	n.a.
Operating result before depreciation and amortisation (EBITDA)	1.2	(9.0)	>100%
EBITDA adjusted[1]	5.1	–	n.a.
EBITDA margin (%)	–	–	
EBITDA margin adjusted (%)[1]	0.3%	–	
Operating result (EBIT)	(6.3)	(15.4)	58.9%
EBIT adjusted[1]	(2.3)	–	n.a.
EBIT margin (%)	–	–	
EBIT margin adjusted (%)[1]	(0.1%)	–	
Additions to property, plant and equipment and intangible assets	28.7	56.3	(49.1%)
Employees (incl. leased personnel), average	448	415	8.1%

[1] Adjustment start-up costs.

2.4. Assets and financial position

2.4.1. ASSETS

Increase in non-current assets

Total assets increased by 12.3% to € 4,674.9 million in the financial year 2023/24.

Non-current assets rose by € 676.0 million to € 3,476.2 million. While property, plant and equipment increased by € 715.6 million to € 3,394.9 million, intangible assets declined by € 4.7 million to € 20.1 million. In property, plant and equipment, additions to assets and technology upgrades of € 1,106.4 million were offset by depreciation totalling € 268.2 million. Property, plant and equipment as reported in the statement of financial position also includes right-of-use assets of € 440.4 million resulting from the application of IFRS 16.

The net change in non-current assets amounted to € 710.9 million or 26.3% to € 3,415.0 million (previous year: € 2,704.1 million).

Current assets decreased by € 163.0 million to € 1,198.7 million. Cash and cash equivalents declined to € 676.5 million (previous year: € 791.7 million). Financial assets increased by € 1.8 million to € 26.9 million. Overall, AT&S thus has cash and current financial assets totalling € 703.4 million (previous year: € 816.8 million). The increase of inventories by € 15.4 million to € 160.8 million primarily results from an increase in unfinished products and raw material inventories. Trade receivables, other receivables and contract assets decreased by € 66.2 million to € 328.1 million. Trade receivables declined by € 12.7 million, contract assets by € 16.4 million and other receivables by € 17.2 million. The reduction was additionally supported by higher factoring activities (change: € 18.7 million).

Trade payables fell by € 27.3 million or 6.0% from € 457.9 million to € 430.6 million, including an increase in liabilities from investments by € 118.1 million to € 195.9 million (previous year: € 314.0 million).

Net gearing increased

Equity declined by 16.5% from € 1,157.5 million to € 966.6 million. Negative effects were related to the negative result for the year of € -36.7 million, currency differences from the translation of net asset positions of subsidiaries and the translation of long-term loans to subsidiaries of € -114.2 million.

In addition, the coupon payment of € 17.5 million for the hybrid bonds as well as the dividend payment of € 15.5 million caused a decline in equity.

Actuarial losses of € -1.0 million (previous year: gains of € 3.0 million) resulting from the parameters used for the calculation of personnel expenses reduced equity.

NET WORKING CAPITAL

€ in millions (unless otherwise stated)	31 Mar 2024	31 Mar 2023	Change
Inventories	160.8	145.4	10.6%
Trade receivables and contract assets	227.8	275.7	(17.4%)
Trade payables	(430.6)	(457.9)	6.0%
Liabilities from investments	195.9	314.0	(37.6%)
Working capital trade	**153.9**	**277.1**	**(44.5%)**
Other current assets, payables, provisions	(10.3)	1.6	(>100%)
Net working capital	**143.6**	**278.7**	**(48.5%)**
Net working capital in % of total revenue	9.3%	15.6%	
Days outstanding (in days):[1]			
Inventories	75	95	(21.1%)
Receivables	69	65	6.2%
Payables	83	74	12.2%

[1] Calculation logic changed in the 2022/23 business year.

The measurement of hedging instruments to hedge cash flows reduced equity by € 6.1 million (previous year: gain of € 4.6 million).

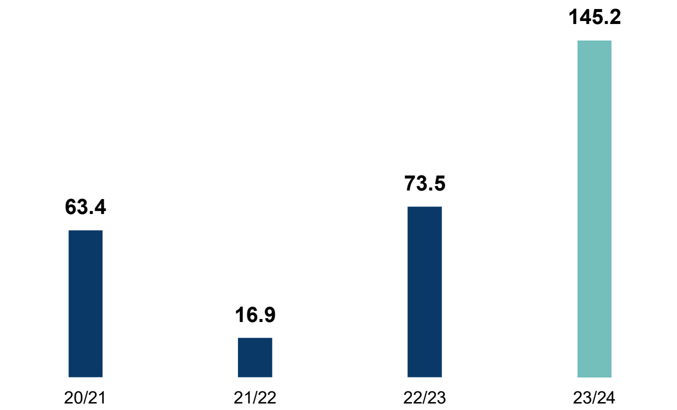
Non-current financial **liabilities** increased by € 571.7 million or 55.3% to € 1,605.0 million. In the past financial year, a promissory note loan totalling € 275 million was placed on the market and term loans of € 145 million were concluded.

Current financial liabilities declined from € 662.4 million to € 518.2 million.

Net debt rose by € 551.8 million or 64.8% to € 1,403.0 million (previous year: € 851.2 million). The increase was primarily due to a decline in cash and cash equivalents resulting from AT&S's investing activities and a simultaneous increase in financial liabilities to finance the planned construction activities and the procurement of machinery. The payments related to bilateral agreements, which are contained in the contract liabilities, rose by € 304.3 million to € 911.5 million.

NET GEARING

in %



Net gearing increased to 145.2% and is therefore above the level of the previous year of 73.5%.

NET DEBT

€ in millions (unless otherwise stated)	31 Mar 2024	31 Mar 2023	Change
Financial liabilities, current	518.2	662.4	(21.8%)
Financial liabilities, non-current	1,605.0	1,033.4	55.3%
Gross debt	**2,123.2**	**1,695.8**	**25.2%**
Cash and cash equivalents	(676.5)	(791.7)	14.6%
Financial assets	(43.7)	(52.8)	17.2%
Net debt	**1,403.0**	**851.2**	**64.8%**
Operating result before interest, tax, depreciation and amortisation (EBITDA)	307.5	416.7	(26.2%)
Net debt/EBITDA ratio	4.6	2.0	
Equity	966.6	1,157.5	(16.5%)
Total consolidated statement of financial position	4,674.9	4,161.9	12.3%
Equity ratio (%)	20.7%	27.8%	
Net gearing (net debt/equity) (%)	145.2%	73.5%	

2.4.2. FINANCING

The focus of the financial year 2023/24 was on ensuring continued financial flexibility and providing sufficient liquidity for operating activities and the planned investments. To this end, a promissory note loan totalling € 275 million was placed on the market and term loans of € 145 million were concluded Focus on diversification of financing instruments.

Focus on diversification of financial instruments

The financing of AT&S is based on a broad spread of both financing instruments and maturities. Based on the prevailing financial market conditions, a stronger focus may be placed on individual instruments or, as the case may be, they may not be used at times.

Loans which include **guarantees by governmental and supranational organisations** are a major component of the refinancing portfolio: their advantages lie in the fact that these organisations share part of the credit risk, as well as in favourable terms and conditions intended to provide incentives for investments in specific regions, for innovation and to promote the export sector. AT&S currently uses financing with guarantees by Oesterreichische Kontrollbank (OeKB) and a direct engagement with the European Investment Bank and KfW IPEX-Bank.

The importance of **promissory note loans** as a key financing pillar did not change in the financial year 2023/24. The advantages of promissory note loans are their high level of predictability and their comparatively low issue costs. Due to these advantages, AT&S intends to also use this form of financing in the future.

At 31 March 2024, promissory note loans totalling € 631.6 million (previous year: € 696.1 million) were placed with national and international investors. The remaining terms range between seven month and roughly six years.

Furthermore, financing in the form of bank loans, lease agreements, and third-party financing is used (category "**bank loans").** As at 31 March 2024, € 1,476.6 million were taken out with national and international banks (previous year: € 984.7 million). They have remaining terms ranging from a few months up to ten years.

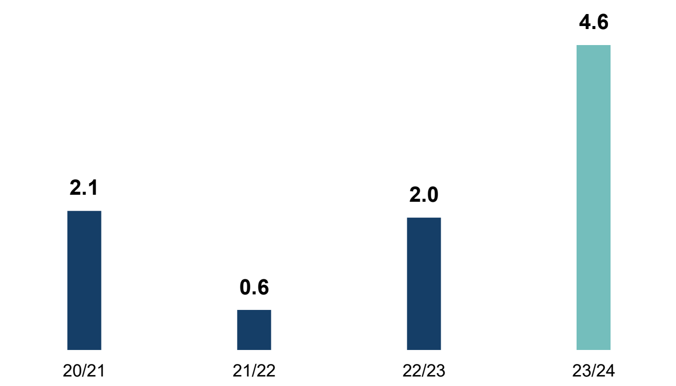
Credit lines serve to cover liquidity fluctuations, as a financing reserve and as financing provisions. At the balance sheet date, AT&S had unused credit lines of € 581.5 million (previous year: € 725.6 million) in the form of contracted loan commitments from banks. As at 31 March 2024, AT&S had used 78.5% (previous year: 65.8%) of its contracted financing potential and still possesses sufficient financial reserves in addition to cash and cash equivalents.

The theoretical repayment period for debts, defined as net debt/EBITDA, of 4.6 years was significantly above the previous year's figure (2.0 years).

INSTRUMENTS

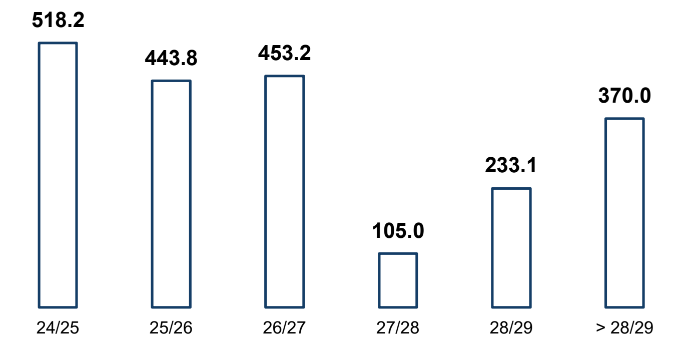
€ in millions	31 Mar 2024	in %	31 Mar 2023	in %
Registered bond	15.0	0.6%	15.0	0.6%
Promissory note loans	631.6	23.4%	696.1	28.7%
Bank borrowings	1,476.6	54.6%	984.7	40.7%
Gross debt	**2,123.2**	**78.5%**	**1,695.8**	**70.0%**
Credit lines	581.5	21.5%	725.6	30.0%
Committed credit lines	**2,704.7**	**100.0%**	**2,421.4**	**100.0%**

NET DEBT/EBITDA



MATURITY

€ in millions



The equity ratio decreased from 27.8% in the previous year to 20.7% in the reporting year and thus remained below the medium-term target of more than 30.0%. This is due in particular to the increase in total assets as a result of investments and securing the financing of the future investment programme. For further information regarding capital risk management, please refer to Note 20 "Additional disclosures on financial instruments" – subsection Capital Risk Management – in the notes to the consolidated financial statements.

AT&S pursues a balanced structure in terms of maturity. The repayment structure shows a high amount totalling € 518.2 million in the year 2023/24 due to the repayment of parts of the promissory note loans, bank loans, and lease liabilities. AT&S strives to finance capital requirements early and has liquidity reserves of € 1,276.8 million (previous year: € 1,542.5 million), which consist of financial resources and unused credit facilities.

Effective interest and currency management

Minimising interest rate risk is another important treasury objective, with an adequate ratio of variable to fixed interest rates. 36.0% (previous year: 44.0%) of financing is conducted at, or was swapped to, fixed interest rates and 64.0% (previous year: 56.0%) is based on variable interest rates.

Strategies for hedging interest rates are regularly evaluated and adapted as necessary. Compared with the previous year, the share of variable interest rates rose due to the maturing of liability items carrying fixed interest. Overall, AT&S is in a position to turn the interest exposure in the desired direction at any time by using appropriate hedging instruments.

AT&S also intends to invest available liquid funds **profitably but risk-sensitively.** As at 31 March 2024, AT&S had financial resources totalling € 703.4 million (previous year: € 816.8 million). The aim is to achieve the highest possible yields with the liquid funds available in the short term by optimising the investment period through the early conversion

CARRYING AMOUNT OF FINANCIAL LIABILITIES BY MATURITY

€ in millions	31 Mar 2024	in %	31 Mar 2023	in %
Remaining maturity				
Less than 1 year	518.2	24.4	662.4	39.1%
Between 1 and 5 years	1,235.0	58.2	926.4	54.6%
More than 5 years	370.0	17.4	107.0	6.3%
Total financial liabilities	**2,123.2**	**100.0**	**1,695.8**	**100.0%**

of liquid funds into currencies that have higher interest rates than the euro.

Early conversion into foreign currencies also serves as a natural currency hedge and a reduction of exposure to foreign currencies. The objective of AT&S is to keep the US dollar net risk position to a minimum. As at 31 March 2024, assets denominated in US dollars (trade receivables, financial assets and cash denominated in US dollars) amounting to € 755.8 million (previous year: € 714.2 million) were offset by liabilities denominated in US dollars (trade payables and financial liabilities denominated in US dollars) amounting to € 289.1 million (previous year: € 291.1 million). The resulting net risk position – at 31 March 2024 this was an active balance of € 466.7 million (previous year: € 423.1 million) – thus amounted to 10.0% (previous year: 10.2%) of the Group's total assets and liabilities.

In addition to this natural hedging and the above-mentioned instruments for interest rate hedging, AT&S occasionally hedges foreign currency transaction risks in the short term (up to one year).

Further development of the financing network

Another treasury objective consists of optimised relationship management with financing partners. For AT&S, this means the selection of banks for cooperation at the national and international level as well as setting up and maintaining the communication necessary for both sides. The aim is to create a high level of transparency regarding the opportunities and risks of AT&S to strengthen a long-term partnership with the financing institutions which is successful for both sides. The annual and quarterly reports serve as the basis for this. In addition to the development of the financing network, AT&S continuously monitors the money and capital markets regarding possible transactions and transaction partners. This is not limited to debt financing but also extends to all forms of equity and M&A financing.

2.4.3. CASH FLOW

Earnings situation boosts liquidity

Cash flow from operating activities before changes in working capital rose by € 24.2 million from € 472.0 million to € 496.2 million. This increase is primarily due to an increase by € 136.9 million in payments received as part of bilateral agreements to € 273.8 million (previous year: € 136.9 million). The year-on-year decrease in EBITDA by € 109.2 million to € 307.5 million (previous year: € 416.7 million) had a negative effect.

Interest payments were up € 36.1 million to € 59.1 million (previous year: € 23.0 million). Interest received increased by € 13.2 million to € 25.5 million (previous year: € 12.3 million). Income taxes paid declined by € 11.3 million to € 24.2 million (previous year: € 35.5 million).

Cash flow from operating activities, at € 653.4 million (previous year: € 476.4 million), is higher than in the previous year, which is primarily attributable to the positive changes in working capital. Cash flow from operating activities decreased by € 20.0 million due to an increase in inventories (previous year: increase of € 41.1 million) and due to a reduction in trade receivables, other receivables, and contract assets increased by € 88.0 million (previous year: increase of € 4.5 million). The positive change in trade payables and other liabilities increased cash flow by € 89.3 million (previous year: cash flow decreasing effect of € 51.8 million).

CASH FLOW STATEMENT (SHORT VERSION)

€ in millions	2023/24	2022/23	Change
Cash flow from operating activities before changes in working capital	496.2	472.0	5.1%
Cash flow from operating activities	653.4	476.4	37.2%
Cash flow from investing activities	(826.0)	(1,044.9)	20.9%
Operating free cash flow	(202.0)	(519.8)	61.1%
Free cash flow	(172.6)	(568.5)	69.6%
Cash flow from financing activities	51.8	211.0	(75.5%)
Change in cash and cash equivalents	(120.9)	(357.5)	66.2%
Currency effects on cash and cash equivalents	5.6	29.3	(80.9%)
Cash and cash equivalents at the end of the year	**676.5**	**791.7**	**(14.6%)**

Capital expenditures for property, plant and equipment, and intangible assets of € -858.8 million were lower than in the previous year (€ -1,101.0 million). Capital expenditures in Chongqing declined significantly, while outflows from investments in Hinterberg and Kulim increased.

While capital expenditures for property, plant and equipment, and intangible assets decreased by € 242.2 million in the financial year 2023/24, inflows from the sale of property, plant and equipment of € 3.4 million also dropped sharply compared to the previous year (previous year: € 104.8 million). The significantly higher inflows of the previous year primarily resulted from the change in financing method (leasing) in the previous year for the construction activities in Hinterberg. However, overall, **cash flow from investing activities**, at € -826.0 million, was significantly lower than in the previous year (€ -1,044.9 million).

Free cash flow from operating activities, i.e., cash flow from operating activities less net investments in property, plant and equipment and intangible assets, amounted to € -202.0 million in the financial year 2023/24 (previous year: € -519.8 million).

Free cash flow, i.e. cash flow from operating activities less cash flow from investing activities, amounted to € -172.6 million (previous year: € -568.5 million), which was primarily attributable to the positive change in working capital (change € 152.8 million), reduced investment activities (change in net capex € 140.8 million) and the higher payments received from customers (change € 136.9 million).

Cash flow from financing activities of € 51.8 million was € 159.2 million lower than in the previous year € 211.0 million). The most significant deviation resulted from other liabilities to financing partners, which increased to € 198.2 million in the previous year due to financing of investment projects in Chongqing, China, and which were unchanged in the financial year 2023/24. Likewise, there were no repayments of hybrid capital in the financial year 2023/24 (previous year: repayment of € 41.4 million).

Cash inflows were related to borrowings of € 507.7 million (previous year: € 340.1 million) and investment grants of € 22.2 million (previous year: € 21.4 million). Cash outflows resulted from the repayment of financial liabilities of € -445.0 million (previous year: € -54.7 million), the dividend payment of € -15.5 million (previous year: € -35.0 million), and the hybrid coupon payment of € -17.5 million (previous year: € -19.5 million.

Cash and cash equivalents decreased from € 791.7 million to € 676.5 million, due in particular to the high investment level. This reduction was partly offset by the positive cash flow from operating activities and the above-mentioned financing and investment measures. In addition, AT&S has current financial assets of € 26.9 million (previous year: € 25.1 million) at its disposal.

Overall, AT&S thus has cash and current financial assets totalling € 703.4 million (previous year: € 816.8 million). These resources, which are currently still at a very high level, combined with unused credit lines of € 581.5 million (previous year: € 725.6 million), serve to secure the financing of the future investment programme and short-term repayments.

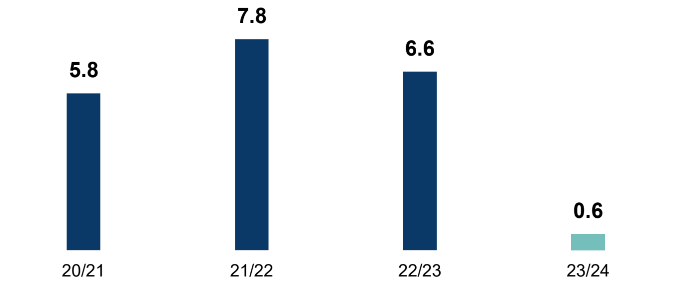
2.4.4. PERFORMANCE INDICATORS

Indicators: ROCE and Vitality Index

In addition to revenue and EBITDA, AT&S uses the indicators ROCE and Vitality Index for strategic corporate management. They reflect the operating performance vis-à-vis investors and customers.

AT&S uses the return on capital employed (ROCE) to measure its operating performance from the point of view of investors, using the ratio of the result adjusted for finance costs – net to average capital employed. This ratio serves to derive the extent to which AT&S fulfils its investors' interest requirements. Average capital costs are derived from the minimum return investors expect for providing equity or borrowings. The weighted average cost of capital (WACC) for the printed circuit board industry was around 9.7%. With ROCE amounting to 0.6%, AT&S fell significantly short of this level during the reporting period.

ROCE
in %



Net operating profit after tax (NOPAT) decreased from € 115.0 million in the previous year to € 13.7 million primarily due to lower EBIT.

Capital employed rose by € 452.9 million both due to the higher average equity as a result of higher net debt. Since NOPAT dropped more sharply than capital employed, ROCE declined from 6.6% in the previous year to 0.6% in the financial year 2023/24.

The second performance indicator, the Vitality Index, shows the ability to implement innovations on timer and in response to the market. AT&S measures this ability using the Vitality Index, which expresses the revenue share of products that feature new and innovative technologies and which have been launched on the market in the last three years. In the financial year 2023/24, the Vitality Index is 25.9% compared with 35.6% in the previous year. AT&S strives for a medium-term average Vitality Index of at least 20%. This target was exceeded in the financial year 2023/24.

2.5. Significant events after the reporting period

With regard to significant events after the reporting date, please refer to the explanations in the notes to the consolidated financial statements, note 27 “Significant events after the reporting date”.

RETURN ON CAPITAL EMPLOYED (ROCE)

€ in millions	2023/24	2022/23	Change
Operating result (EBIT)	31.1	146.2	(78.7%)
Income taxes	(17.4)	(31.2)	44.3%
Operating result after tax (NOPAT)	**13.7**	**115.0**	**(88.1%)**
Equity – average	1,062.1	1,204.9	(11.9%)
Net debt – average	1,127.1	531.4	>100%
Capital employed – average	**2,189.2**	**1,736.3**	**26.1%**
ROCE	**0.6%**	**6.6%**	

VITALITY INDEX

€ in millions	2023/24	2022/23	Change
Main revenue	1,549.8	1,791.3	(13.5%)
Main revenue generated by innovative products	401.9	637.9	(37.0%)
Vitality Index	**25.9%**	**35.6%**	

3. OTHER STATUTORY INFORMATION

3.1. Plants and branch offices

The AT&S Group currently operates six production plants, which specialise in different technologies.

Leoben and Fehring The Austrian plants primarily supply the European market. In Europe, special applications and customer proximity are particularly important. Based on production and technological diversity, flexibility in manufacturing, and the broad customer spectrum, the plant in Leoben continues to pursue the path of niche and prototype production it embarked on in recent years. Among other things, production using embedding technology takes place in Leoben. In addition, investments were made in the expansion of the IC core line to provide the required capacities for precursor material to supply the production facilities in Chongqing, Kulim, and Leoben. Now the Company is investing in a new R&D centre for substrate and packaging solutions for the global semiconductor industry at the location in Leoben. As part of the current diversification strategy, new customers were won for the IC substrates business segment. As a result of this development, the R&D centre will be expanded to include series production. In April 2024, the installation of the equipment for IC substrates began, and the start of series production is expected for 2025. The Fehring plant serves the Electronics Solutions segment, in particular the 3S areas (smart infrastructure, smart mobility, and smart manufacturing), as well as the medical device segment.

Shanghai The Shanghai plant manufactures HDI (High-Density Interconnection) and mSAP (modified semi-additive process) printed circuit boards, in particular for customers in the areas of 3C (computer, communication and consumer electronics) and 3S (smart infrastructure, smart mobility and smart manufacturing). The plant has established itself as a leading supplier of the latest technology generation and its broad technology spectrum is very well received by customers.

Chongqing The location in Chongqing currently comprises three operating plants. The plants Chongqing I and Chongqing III are designed for the production of IC substrates (integrated circuit substrates). At Chongqing III, which was newly built in 2021, the first of four production lines commenced production of large series in October 2021. The second line was commissioned in 2022, while a large part of the third line was approved for production in 2023. The installation work for the fourth line will be resumed depending on the development of the semiconductor market. High-end mSAP printed circuit boards and printed circuit boards for modules are produced for mobile applications at the Chongqing II plant. The production capacity for modules was further expanded to serve the growing customer demand in the high-end segment. The full expansion of the plant is scheduled to be completed in the coming financial year.

Kulim Construction of the plant for IC substrates, which commenced in October 2021, is in progress. The construction work is proceeding as scheduled; however, part of the investment project will be executed later than planned. Installation of the equipment started at one of the plants and the first products have been delivered for qualification by the customer. The site was officially opened in January 2024.

Ansan The very positive development of the site in Korea continued in the financial year 2023/24 in particular in the medical technology segment for European and American customers. Capacity utilisation was very good at this site during the financial year 2023/24.

Nanjangud The site continued to focus on exports and strengthened its position, particularly in the automotive market. The qualification for HDI products continued, and the strategy towards higher-quality technologies in the product mix was thus further pursued.

Hong Kong AT&S Asia Pacific, based in Hong Kong, is the holding company and the headquarters of Group-wide procurement. The proximity to the customers' CEMs and to suppliers is a locational advantage that is highly valued by business partners.

Sales support companies The sales support companies in America, Germany, Japan, Taiwan and Sweden continued to ensure good and close contact with customers in the financial year 2023/24.

3.2. Shareholder structure and disclosures on capital (disclosures pursuant to § 243a UGB)

Capital share structure and disclosure of shareholder rights

As of the reporting date of 31 March 2024, the Company's ordinary shares amount to € 42,735,000 and are made up of 38,850,000 no-par value shares with a notional value of € 1.10 per share. The voting right at the Annual General Meeting is exercised according to no-par value shares, with each no-par value share equalling one voting right. All shares are bearer shares.

Significant direct and indirect shareholdings in the Group parent company AT&S Austria Technologie & Systemtechnik Aktiengesellschaft, which amount to at least 10% at the reporting date, are presented below: *see table below.*

At the reporting date of 31 March 2024, roughly 64.3% of the shares were in free float. With the exception of the shareholdings stated below, no other shareholder held more than 10% of the voting rights in AT&S. No shares with special control rights exist. The exercise of the voting right by employees who hold shares in the Company is not subject to any limitations.

No special provisions exist on the appointment and dismissal of members of the Management Board and the Supervisory Board.

The contracts of all Management Board members include a "Change of Control" clause. Such a change of control exists if a shareholder of the Company has obtained control of the Company in accordance with Section 22 of the Austrian Takeover Act (ÜbG) by holding at least 30% of the voting rights (including the voting rights of third parties attributable to the shareholder pursuant to the Austrian Takeover Act), or the Company has been merged with a non-Group legal entity, unless the value of the other legal entity amounts to less than 50% of the value of the Company according to the agreed exchange ratio. In this case, the Management Board member is entitled to resign for good cause and terminate the Management Board contract at the end of each calendar month within a period of six months after the change of control takes legal effect, subject to a notice period of three months ("special termination right"). If the special termination right is exercised or the Management Board contract is terminated by mutual agreement within six months of the change of control, the Management Board member is entitled to the payment of their remuneration entitlements for the remaining term of this contract, however, for a maximum of three annual gross salaries. Other remuneration components shall not be included in the calculation of the amount of the severance payment and shall be excluded from it.

The Management Board was authorised at the 25th Annual General Meeting on 4 July 2019, until 3 July 2024, to increase the Company's ordinary shares, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 new, no-par value bearer shares, for contributions in cash or in kind, in one or several tranches, also by way of indirect subscription rights, after having been taken over by one or more credit institutions in accordance with Section 153 (6) of the Austrian Stock Corporation Act (AktG). The Management Board was authorised to determine, subject to the approval of the Supervisory Board, the detailed terms and conditions of issue (in particular the issue amount, subject of the contribution in kind, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the approved capital.

Furthermore, the Management Board was authorised at the 25th Ordinary General Meeting on 4 July 2019 to issue,

SIGNIFICANT DIRECT AND INDIRECT SHAREHOLDINGS

Shares/in %	Shares	% capital	% voting rights
Dörflinger-Privatstiftung: Vienna, Austria	7,043,133	18.13%	18.13%
Androsch Privatstiftung: Vienna, Austria	6,819,337	17.55%	17.55%

subject to the approval of the Supervisory Board, one or several convertible bearer bonds at a total amount of up to € 150,000,000 until 3 July 2024 and to grant to bearers of convertible bonds conversion rights and/or subscription rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the convertible bond terms and conditions to be defined by the Management Board. In this regard, the Management Board was also authorised to fully or partially exclude shareholders' subscription rights. In this context, the Company's ordinary shares were conditionally increased by up to € 21,367,500 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with Section 159 (2) No. 1 of the Austrian Stock Corporation carried out if the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 4 July 2019 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. The Management Board was also authorised to determine, subject to the approval of the Supervisory Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the conditional capital. The same applies in case the authorisation to issue convertible bonds is not exercised or the conditional capital is not used.

With regard to the approved capital and the conditional capital, the following definition of the amount in accordance with the resolutions passed at the 25th Ordinary General Meeting on 4 July 2019 is to be observed: the sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000 (limitation of authorised amount).

The Annual General Meeting also resolved to amend the Articles of Association in § 4 (Nominal capital) to reflect these changes.

Treasury shares

At the 29th Ordinary General Meeting of 6 July 2023, the Management Board was again authorised to purchase, within a period of 30 months from the adoption of the resolution, treasury shares to an extent of up to 10% of the nominal share capital for a minimum consideration per share being at the most 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share at the most 30% higher than the average, unweighted stock exchange closing price over the ten preceding trading days; such purchases may take place via the stock exchange, by means of a public offering or any other legally permitted way, and for any legally permitted purpose. The authorisation also includes the purchase of shares by subsidiaries of the Company (Section 66 of the Austrian Stock Corporation Act). The Management Board was also authorised to withdraw shares after repurchase as well as treasury shares already held by the Company without further resolution by the Annual General Meeting. The Supervisory Board was authorised to adopt amendments to the Articles of Association arising from the withdrawal of shares. The authorisations granted by the resolution of the 27th Ordinary General Meeting on 8 July 2021 on agenda item 10 were revoked.

Furthermore, the Management Board was authorised at the 25th Ordinary General Meeting on 4 July 2019 for a period of five years, i.e. up to and including 3 July 2024, subject to the approval of the Supervisory Board, to sell or use the repurchased treasury shares or treasury shares currently held by the Company other than via the stock exchange or by public offer in particular for the purposes of stock transfer programmes, convertible bonds or as a consideration for the acquisition of entities, investments or other assets or for any other legal purpose, and to exclude a general purchase opportunity for shareholders.
The Company held no treasury shares as of 31 March 2024.

Free reserves

At the 27th Annual General Meeting of 8 July 2021, the Management Board was authorised to reallocate an amount of up to € 50,000,000 of the balance sheet profit carried forward to new account – after dividend distribution – to free reserves, subject to the approval of the Supervisory Board.

There are no off-balance sheet transactions between AT&S and its subsidiaries.

AT&S has neither granted any loans nor assumed any liabilities in favour of board members.

For further information, please refer to the notes to the consolidated financial statements, Note 22 “Share capital” as well as Note 15 “Financial liabilities”.

The Company’s Corporate Governance Report pursuant to Section 243b of the Austrian Commercial Code is available at **https://ats.net/en/company/corporate-governance/**.

3.3. Non-financial statement

In accordance with Section 243b (6) UGB (Austrian Commercial Code), the Company is exempt from the obligation to prepare a non-financial statement in the Management Report since a separate non-financial report has been drawn up. This non-financial report is included in the Annual Report 2023/24 as a separate chapter.

4. RESEARCH AND DEVELOPMENT

Structural development of technological opportunities

AT&S's research and development activities are focused on exploiting the opportunities arising from digitalisation and ecological optimisation (e.g. artificial intelligence) for AT&S. The electronics industry, in particular microelectronics, plays a central role in this context. It provides systems that enable digitalisation in the first place (e.g. data centres and computers with high-performance processors). In addition, the energy consumption of these devices can be reduced dramatically based on the efficient structure of the overall systems. Microelectronics also forms the basis for completely new solutions for more efficient energy use along the entire value chain (production, transportation, storage and usage). The ongoing projects in this context are summarised in our four key development areas.

High-performance computing: Services based on artificial intelligence (AI) and other developments in digitalisation are applied more and more frequently, thus finding their way into our everyday lives. This becomes possible through high-performance computers located in servers and data centres. To cope with massively growing data volumes, these high-performance computer systems are becoming ever more powerful and have to use less energy at the same time. AT&S develops solution concepts for IC substrates that specifically cater to those needs.

High-frequency electronics: As digitalisation progresses, the data volume to be transmitted will also increase significantly in the years to come. Electronic systems working at higher frequencies (e.g. communication modules for 5G and in the future 6G, radar systems for cars) will offer solutions in this regard. These will require new interconnect technology solutions. Based on development projects in this area AT&S ensures that the products transmit signals fast, precisely and with minimal losses.

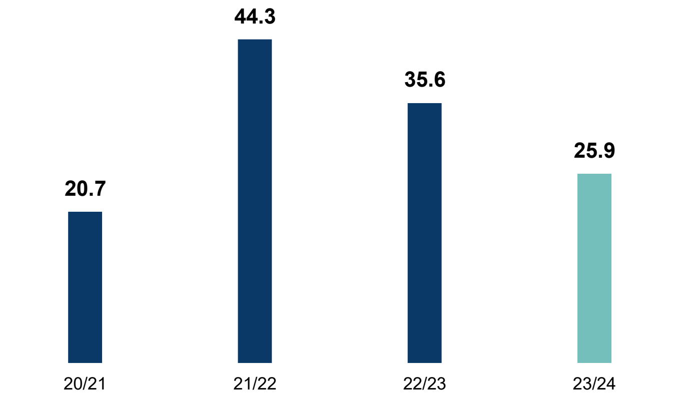
Power and power efficiency: In view of the sustainability efforts, there is currently a strong trend in electrification towards carbon-neutral energy production, new energy source systems and electricity-based forms of propulsion. AT&S focuses its development activity on systems that enable optimum power supply with the lowest electrical losses from energy production to usage, and can therefore switch, control and transmit high loads.

Virtual development and resource efficiency: Industrial production processes will change fundamentally in the decades to come. The processes will increasingly be organised using artificial intelligence (AI), and sustainability will also play a key role: the manufacturing of products must involve minimum consumption of natural resources, be highly reliable and enable the reuse of the materials employed. AT&S is working on new solutions that allow efficient and flexible manufacturing with minimum resource consumption (material, water, energy, etc.). To this end, large data volumes are being put to use via digitalisation to optimise and improve production processes as well as product properties and quality, and new solutions enabling the sparing use of resources in production are being developed.

Innovation rate still high

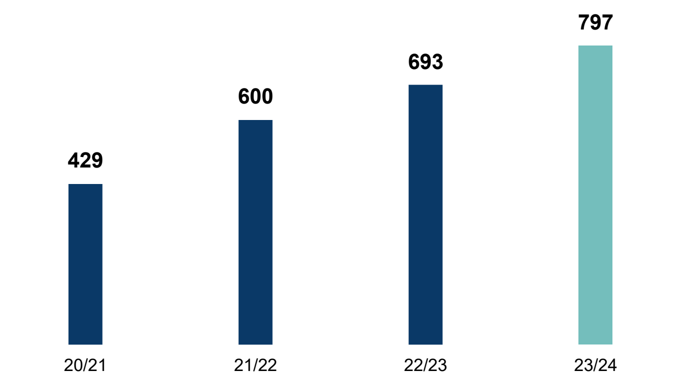
The Vitality Index measures the impact of the innovative strength of a company. It describes the revenue share AT&S has generated with innovative products launched on the market in the past three years. Generally speaking, the Vitality Index is higher in the years following the successful implementation of new technologies and lower in the development phase of new technologies (i.e. during the phase before their market launch). In the past financial year we see the effect of the launch of new, innovative products on the market. AT&S strives for a mean annual Vitality Index of at least 20%. In the past financial year, a Vitality Index of 25.9% was recorded.

VITALITY INDEX
in %



The innovative strength and long-term competitiveness of a company are also reflected in the number and quality of its intellectual property rights: AT&S submitted a total of 62 new patent applications in the financial year 2023/24. At present, AT&S has 573 patent families, which resulted in 797 granted patents. The IP portfolio is further strengthened by externally acquired licences, in particular in the area of embedding technology.

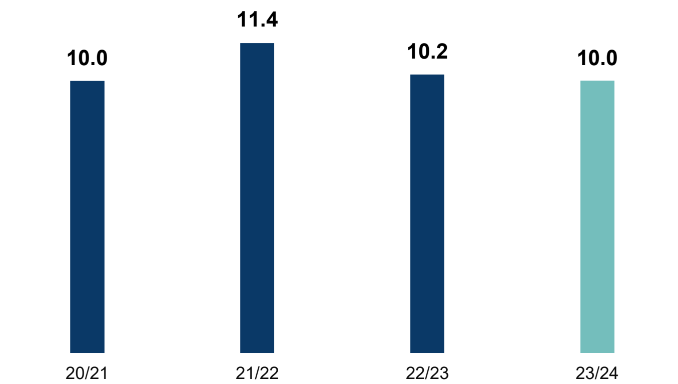
NUMBER OF PATENTS GRANTED



R&D expenses: 10.0% of revenue

The costs of research and development projects totalled € 155.4 million in the financial year 2023/24. This corresponds to a research rate (i.e. ratio to revenue) of 10.0% compared with 10.2% in the previous year. Based on the continuously high research rate, AT&S is securing its position as a technology leader for the years to come.

RESEARCH RATE
in %/ratio to revenue



Two-stage development process

AT&S pursues a two-stage innovation process: The first stage is based on technology platforms. In these technology platforms, technical approaches are developed to solve the technical problems in the strategic applications of AT&S for the coming years. This stage corresponds to applied research and technology evaluation.

Subsequently, it is the task of the local technology development and implementation departments at the AT&S sites to continue the experimental development of processes and products and to integrate them into the existing production process.

These development activities are accompanied by developments in the virtual world and strong collaboration with our customers, suppliers, and research institutions.

Key development projects

The key development areas for “High-performance computing”, “High-frequency electronics” and “Power and power efficiency” were further expanded. In these platforms, solution concepts that will support the challenges of electronic systems and find optimal solutions by the end of the decade are developed.

For example, new assembly and interconnect concepts are being developed that enable connecting individual components of computers chips with a high signal rate, and, using a variety of different materials (e.g. glass), giving the ever larger IC substrates the necessary reliability and form stability, and offering concepts for the energy-efficient power supply of high-performance computer modules, low-loss circuit and cooling concepts for electromobility and energy supply.

In the future, these developments will be strongly supported and accelerated by the R&D centre at the AT&S headquarters in Leoben, which is currently being established. It is a development centre for IC substrates and other technologies in the field of advanced electronic packaging. An R&D, prototype and series production line, which globally sets a new technological standard in this area, constitutes the heart of the centre. This measure brings a technology segment to Europe which is only available in Asia today, thus making a substantial contribution to technological supply security. Coupled with the investments in research and development at the headquarters in Leoben in the areas of “Substrate – Core” and “Packaging Technologies” over the past years, this new centre will become a hotspot in electronics development and will be a guarantor of leading-edge solutions made by AT&S.

5. OPPORTUNITIES AND RISKS

5.1. Opportunities and risk management

STRUCTURE AND INSTRUMENTS

Opportunities and risk management is a fundamental part of conducting business within the AT&S Group. The objective of increasing enterprise value involves not only opportunities but also risks. The task of Risk Management is to provide a uniform system that enables early identification and proactive management of positive or negative deviations from the corporate goals. Therefore, AT&S operates a Group-wide Risk Management (RM) system in accordance with the Austrian Code of Corporate Governance (ACCG), an Internal Control System (ICS) in accordance with COSO standards, as well as Internal Audit based on the IIA standards.

From an organisational perspective, Risk Management, Internal Control System and Internal Audit functions fall within the responsibility of the CFO. Risk Management reports regularly to the full Management Board at a Management Board meeting. The Supervisory Board is included within the framework of the Audit Committee meetings, which take place at least twice a year. The proper functioning of the risk management system is assessed annually by the auditor in the course of the annual audit of the financial statements pursuant to Rule 83 ACCG.

The risk management process shown in Figure 1 is conducted at least twice a year.

Risk management is conducted based on the risk strategy and risk exposure at the hierarchy level assigned to the relevant level of risk (see Figure 2), which was defined in a Group-wide risk management policy.

RISK MANAGEMENT IN 2023/24

In the financial year 2023/24, the integration of Enterprise Risk Management in all organisational units was intensified. At risk management workshops with the Group, business unit and plant functions, risks are comprehensively identified and assessed, and mitigation measures are defined. The standardized parameters used for the risk assessment have been revised within financial year 2023/24. Furthermore, the continuous improvement of the maturity level is mirrored in the risk reporting to the Management and Audit Committee.

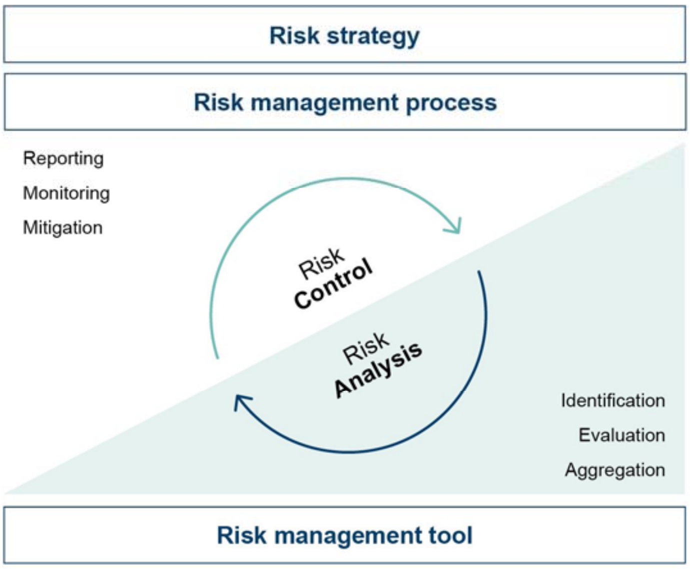


Figure 1: AT&S Risk management process

Risk strategy:
defined by the Management Board and process owners.
Risk identification:
group-wide identification and evaluation. Immediate reporting of significant new risks.
Risk evaluation:
consistent group-wide evaluation of all risks with respect to their impact, probability of occurrence and resulting risk rating.
Aggregation & reporting:
aggregation and regular reports of all significant risks to the Management Board and Audit Committee by the Risk Manager.
Risk mitigation & monitoring:
in accordance with defined reporting and decision levels actions to mitigate the identified risks are taken (based on risk level, see Figure 2).
Risk management tool:
group-wide for risks

RM: Risk Management; ICS: Internal Control System; BU: Business Unit;
FMEA: Failure Mode and Effects Analysis
Figure 2: AT&S Risk levels and Risk controlling

Risk exposure & risk level:
the AT&S risk levels are derived by impact and probability of occurrence as an indicator of the risk capacity of the Group.

ICS & RM:
management of process risks supported by the internal control system. At group level, relevant risks are managed and reported through the risk management process.

Risk controlling:
clear assignment of responsible decision levels based on risk level (see left) and definition of responsibilities for the implementation of mitigation measures.

5.2. Explanation of individual risks

The risks, uncertainties, and opportunities facing the Group are generally based on worldwide developments in the printed circuit board and substrate market and the Group's own operating performance. The material risks are described by risk category in the following section.

STRATEGY

Investment risk

To use growth potential, AT&S has undertaken substantial investments in new technologies (IC substrates) as well as in the further development and capacity expansion of existing technologies (SLP, mSap, HDI). To secure the high-end substrate business as a strategic cornerstone, AT&S is investing in a production site at the Kulim Hi-Tech Park, Kedah, Malaysia. The project is carried out in cooperation with two leading manufacturers of high-performance computing semiconductors. One of the two plants is nearly finalised and qualification has started. Production is expected to ramp at the end of fiscal year 2024/25. The building envelope of the second plant is completed. The timing of the procurement and installation of production equipment depends on how the market and the situation of a relevant customer develop.

In addition, the Company invested in a new R&D center for substrate and packaging solutions for the global semiconductor industry at its site in Leoben-Hinterberg. As part of the current diversification strategy, new customers were won for the IC substrate segment. As a result of this development, the R&D center will be expanded to include series production, supported by financing contributions from new customers.

Unexpected technological developments, changes in demand, restrictions through third-party patents, negative price developments, shorter technology cycles or problems in the technical implementation may have severe adverse effects on the intrinsic value of such investments. These effects can generally impact all current AT&S business activities. If there are any indications of such adverse effects, impairment tests of these investments are performed as required, which may lead to high impairment requirements due to the high investments made.

Competition risk

The use of HDI technology was successfully transferred from smartphone applications and other mobile devices to further applications, for example in the automotive industry. Delays in switching over to the new technologies on the customer side and volatile market developments may pose challenges for AT&S and lead to excess supply, over-capacities, and underutilisation.

The opportunities of the AT&S plants are based on high flexibility, high quality standards, and the ability to react very quickly to changing specifications and technologies. These capabilities are imperative for prevailing in the competitive environment, especially in the Industrial segment, which is subject to diverse technological requirements among a large number of customers. To safeguard this competitive edge, AT&S constantly pursues new forms of technology and projects in close cooperation with customers.

The market demand for IC substrates significantly declined in 2023 and is expected to grow at the end of fiscal year 2024/25. A recovery to 2022 levels is expected to take at least until 2025, however. The rapid decline and elevated inventories in the market of IC substrates for notebooks, seen after the boom of 2021/2022, ended and stabilized in 2023. The rapid demand increase for high-priced AI-related infrastructure as well as macroeconomic conditions (e.g. inflation, high interest rates, fears of recession) muted the numbers of server systems sold in 2023. This led to a decline in demand for server-related IC substrates and also elevated inventories. Based on seasonal market dynamics, the market is expected to pick up at the end of fiscal year 2024/25 again and lead to overall growth in IC substrates. AT&S is therefore adjusting the investment program in Malaysia to the current market situation.

Competitor risks arise due to potential quality improvements and technological developments in countries with low production costs, for example, Vietnam or the Philippines. This could lead to a loss of competitiveness at AT&S sites, especially in Austria but possibly also at other production sites such as those in South Korea and China. In addition, competitors announced substantial investments in capacities for ABF substrates and PCB production sites outside of China in the past year, which can lead to additional overcapacities in the market and the resulting falling prices.

Moreover, a difficult market environment in the financial year 2024/25 could adversely impact the Group‘s results. The war in Ukraine with its effects on the energy market, continued tensions between the USA and China, the upcoming election in the USA as well as a potentially persisting high interest level result in a continued weak market environment. Lower demand for IC substrates, possible reservations of customers regarding deliveries from China, stagnating smartphone sales, weak demand in the Automotive and Industrial segments as well as unfavourable market developments in the other core segments could lead to a decline in revenue. The broad-based positioning of AT&S in the Mobile Devices & Substrates segment and in the Automotive, Industrial, Medical segment with their different production cycles can partially mitigate market risks. Along with controlling risks, crisis-proof applications are being pushed based on customer and application analyses, for example applications in the medical sector.

MARKET

Potential loss of key customers

With the help of advanced production technologies and high-quality standards, AT&S has managed to establish itself as a reliable provider to some of the world’s most renowned players in the electronics industry. Due to the focus on high-end technology, the number of customers is limited to technology leaders. The revenue generated by the five largest customers accounts for 71% of total revenue, with the respective shares ranging from 2% to 35%. Our long-term relationships with these customers also offer excellent opportunities for the future. However, a concentration of this kind also poses risks if there is a significant reduction in business volume or profitability from these customers. As part of its diversification strategy, AT&S succeeded in winning additional IC substrate customers, in particular in the area of server ICs. These measures support the rapid compensation of potential negative developments among individual key customers. Nevertheless, adverse changes in the markets can have a negative impact on AT&S, as the customers operate in similar market segments.

PROCUREMENT

Procurement prices and availability

Supply chain trends are evolving all the time, the recent history has proven how important it is to be responsive, scalable and agile. Due to the past year market downturn, leading to even more customer demand volatility, the must-win battle is about providing a rapid response to customers, with shorter lead times, in order to excel in customer service and value proposition. AT&S is continuously optimizing its supplier base to create value, reduce delivery lead times, mitigate procurement risks through targeted supplier management, and exceed customer expectations. The past disruptions (Covid-19, war in Ukraine, geopolitical tensions) have eventually led to improvements in responsiveness and lead time reduction, thanks to alternate transportation options, as well as the qualification of new vendors regionally closer to AT&S manufacturing locations. Likewise, anticipating our production needs in Malaysia, an extended supplier base is being developed in South-East Asia.

The market price volatility observed shortly after the beginning of the war in Ukraine has been contained: for raw materials the LME Copper rate has been very stable over the last 12 months On the contrary, Gold prices increased over the same timeframe, while Palladium price dropped, therefore the impacts were able to compensate each other.

Suppliers

The sourcing strategy of AT&S focuses on a wide and clearly diversified base of carefully selected suppliers to reduce dependencies on individual suppliers. Long-standing and stable customer-supplier relations are in place with key suppliers with particular expertise and competitive standing. To avoid supply shortages, AT&S conducts rigorous supplier risk management, taking account of regional cluster risks and various supply routes. In this matter of Transportation & Logistics, since the end of December 2023, the ongoing conflict in the Middle East has escalated, and shipping companies have suspended the crossing of the Red Sea, re-routing their vessels around the Cape of Good Hope in Africa. These disruptions in the Suez Canal have created more challenges through longer transit times, higher costs, and lower on-time reliability with accumulated delays & shortages. AT&S is very closely monitoring the situation with partners and freight forwarders, consequently due to immediate responsiveness and actions implemented (e.g. extension of lead times extended, revision of ordering patterns, inventory levels readjustment, pre-booking of vessels), there has been no major impact reported.

BUSINESS ENVIRONMENT

Location-specific risks

The vast majority of AT&S's operating activities are based at sites outside of Austria, particularly in China. This means that the Group might be subject to potential legal uncertainties, state intervention, trade restrictions or political unrest. Irrespective of the above, any production site of the Group may furthermore be exposed to disruptive events such as fire, natural disasters, acts of war, shortages of supply or other elementary events. The termination of land use rights, permits, or lease contracts for specific plants might also have a considerable negative impact on the production output of the Group.

Manufacturing PCB's and IC substrates require a large number of wet-chemical, energy- and water-intensive processes. Furthermore, room conditions within the production area (e.g. clean room) and storage area (e.g. cold storage) have to meet specified limits. Climate-related changes may cause an increase in ambient temperature and a higher frequency of extreme weather events (e.g. heatwaves, drought), which could lead to a limitation of resources (e.g. supply of water and energy). Consequently, either costs could increase (e.g. for heating or cooling) or, in the worst case, disruptions of the production process can occur, if the supply is interrupted. Additionally, further limitations on the discharge of pollutants into the air and water as well as stricter standards for the treatment, storage, and disposal of solid and hazardous wastes could be imposed. Therefore, AT&S is working on recycling projects (e.g. copper- and water recycling) to increase closed-loop processes and also a strategy to reduce waste. Moreover, the production processes expose some of the employees to impairments with regard to chemicals, noise, or emissions. Inadequate personal safety standards and inadequate safety management could cause business interruptions owing to rising accident and health cases.

To minimise the effects of such risks, the Group has instituted business continuity management. AT&S also conducts active insurance management by means of weighing the risks and associated costs. It has concluded insurance contracts to the extent customary for a company of this size wherever such contracts were available at costs that are reasonable in relation to the impending risks.

Political risks

The electronics industry is characterised by highly integrated, transnational supply chains that are based on the free trade of goods and services. Potential protectionism or growing political tensions can lead to discontinuities in the supply chain and to competitive advantages for competitors in specific countries.

The war between Ukraine and Russia, which has been ongoing since February 2022, has an impact on the entire global economy. In addition to the resulting humanitarian disaster, the war also affects the availability of materials and energy, which is reflected in their price development. Uncertainties regarding energy supply, particularly electricity, can also have a negative effect on AT&S. To mitigate this risk, measures have been taken to enable the Company to respond quickly if required. Furthermore, the AT&S energy strategy was also expanded to include the aspect of security of supply. Nevertheless, far-reaching sanctions and other unexpected geopolitical developments can have negative effects on the business operations of AT&S.

A potential aggravation of the trade conflict between the USA and China could lead to an increase in punitive tariffs on imports of certain goods in both countries as well as trade restrictions for technology companies. From the current perspective, the trade conflict only has an insignificant influence on AT&S. Nevertheless, ongoing monitoring of new trade restrictions and/or export controls related to AT&S's underlying technologies, raw materials, and equipment as well as potentially affected customers is necessary.

In recent months, new escalations in East Asia, particularly between China and Taiwan, but also in Korea, as well as the renewed conflict in the Middle East, could have a general impact on global supply chain interdependencies. It is therefore important to monitor any intensification of these conflicts, which could potentially negatively impact on business activities. In addition, resulting macroeconomic developments may have an adversely affect the business of AT&S.

The escalated war between Israel and the Palestinians in the Middle East is giving rise to further uncertainties in the global economy. In terms of manufacturing, Israel's weight in the global semiconductor market is limited. Furthermore, AT&S doesn't partner with manufacturing companies in Israel and is not dependent on the market in Israel. Nevertheless, the Red Sea crisis driven by the Middle East conflict has a negative impact on the transportation of goods and materials. Currently there are no major impacts on AT&S's business, but a close monitoring of the situation is ongoing.

Compliance

Amendments to regulatory requirements (for example REACH and ROHS), such as the prohibition of specific processes or materials, might lead to a rise in production costs. AT&S might be subject to payment of substantial damages or penalties should any breach of customer confidentiality agreements or statutory provisions occur. AT&S has implemented organisational measures aimed at preventing or minimising the occurrence of compliance risks. The extension of such measures is ongoing. As a rule, AT&S follows a zero-tolerance policy and expects 100% compliance with all applicable laws and regulations from its employees. The Governance, Risk & Compliance Committee (GRC Committee) supports Enterprise Risk Management in monitoring the risk landscape and helps promote compliance with legal and regulatory requirements. In addition, AT&S introduced the whistleblowing platform “We Care”, which enables employees and external third parties to report potential compliance violations.

Fraud, data security and cybercrime

To continue to successfully prevent attempted fraud, internal controls were further intensified in the past few financial years and initiatives to raise awareness among employees with regard to such fraud schemes were increased. Based on an analysis of internal processes regarding the use of personal data, the required measures were assessed and implemented in order to ensure the protection of sensitive data. Following the successful certification of all European locations in accordance with ISO 27001, the Information Security Management System (ISMS) was rolled out at all production locations and certification according to ISO 27001:2013 was performed. Alignment with international IT standards ensures safe handling and appropriate access to information, and the availability of reliable systems.

Despite best efforts, we must acknowledge that no system is completely immune from potential hacking attacks. Such incidents, if they occur, could negatively impact the security of data and the availability of IT systems. AT&S continually strives to mitigate these risks and ensure the safety and integrity of its systems.

OPERATIONS

Quality and delivery performance

As in the past, the high quality of products, adherence to delivery deadlines and service quality will offer the Group an opportunity to differentiate itself from the competition and exploit growth opportunities in the future. At the same time, AT&S has to make substantial contractual commitments, especially to key customers, with respect to capacity reserves and volume guarantees, adherence to delivery deadlines, and quality performance. Any technical defects, quality deficiencies, difficulties in delivering products, or failure to provide volume guarantees granted may expose AT&S to warranty claims, claims for damages, and contractual penalties. Quality deficiencies may even lead to delivery stops for certain part numbers. Even if such quality deficiencies were not caused in the production process of AT&S but within the supply chain, such delivery stops may lead to significant drops in revenue. Substantial quality deficiencies could also result in product recalls and the loss of customers. AT&S has established a quality management and planning system designed to rule out or minimise deficiencies in product quality and planning mistakes and their negative consequences as far as possible. In order to ensure high product quality, AT&S not only meets general international quality standards (ISO 9001) but also further standards for the automotive (e.g. IATF 16949), aviation (e.g. NADCAP accreditation), and medical technology (e.g. DS/EN ISO 13485) sectors. Furthermore, the Group is insured against major risks by virtue of an (extended) product liability insurance policy taking into account exclusions of coverage and customary coverage limits.

Intellectual property

AT&S endeavours to exploit any opportunities for obtaining intellectual property as well as gaining access to promising patents through the development of its own projects, cooperation schemes with partners, and investments. Risks arise if AT&S fails to protect its intellectual property, thus enabling the competition to utilise these technologies. Legal disputes about intellectual property can prevent AT&S from using or selling disputed technologies. Furthermore, legal disputes with regard to the unauthorised use of external intellectual property can have considerable negative financial consequences.

Technology and project development

The establishment and expansion of capacity for IC substrates in Chongqing and Kulim lead to specific risks given the significant investment volume. The market for IC substrates is influenced by technological changes. The establishment of an R&D centre including prototype production in Austria is also intended to serve the development of new technologies, thus mitigating the market risk of IC substrates. However, this technological progress includes the general risk of new technology developments. Complications in advancing these technological developments and project implementation could result in major burdens on business development and the existing financial and administrative resources.

Cost control

AT&S has initiated comprehensive cost optimisation programmes in order to mitigate effects resulting from weak demand, price pressure, and inflation. These programmes focus on increasing the scope of continuous improvement measures, on accelerating their implementation, and on eliminating the inefficient use of materials and resources as far as possible. Continuous cost reduction and efficiency increases in all business segments are crucial to the Group's profitability. If cost reduction measures and performance increases cannot be implemented as planned (or if the costs cannot be passed on to customers), this may have a negative impact on the competitiveness of the Group.

ORGANISATION

Employees

The collective industry experience and management expertise of the employees of the AT&S Group are the foundation for using future opportunities. The two major projects (Leoben and Kulim) require a high number of qualified personnel. Should it not be possible to hire sufficient qualified staff, this might have a negative impact on the progress of these major projects. AT&S continuously develops strategies for retaining key employees, recruiting additional valuable personnel, and further expanding the skills of its staff.

FINANCE

Foreign exchange risk

Exchange rate fluctuations can have considerable positive or negative effects on the results of the Group. To minimize the transaction effects, the Group employs a hedging strategy by generating opposing cash flows in the respective currencies. The high investments in Asia over the past few years and the expected strong revenue growth will result in significant translation risks related to the RMB and MYR. Finance costs are influenced by currency effects because investments are in part denominated in foreign currency. The main intragroup loans are long-term in nature and their repayment is neither scheduled nor probable in the foreseeable future. These loans are therefore recorded directly in equity through the statement of comprehensive income. The extent of these risks is regularly analysed. The results are incorporated into strategies to implement efficient currency management.

Financing and liquidity

The Group uses both short- and long-term financial and liquidity planning to secure the financial needs for the expansion strategy. However, negative business developments, significant deviations from assumptions in business cases, further changes in interest rates, exchange rate fluctuations, or valuation adjustments may have caused failure to achieve the targeted equity ratio and the net debt/EBITDA ratio, and subsequently may lead have led to additional financing requirements and higher costs, or even the temporary loss of existing financing facilities. The interest rate risk is hedged centrally for the Group by the Group Treasury as a whole, using appropriate financial instruments.

For more information on financial, liquidity, credit, and foreign exchange risks, please refer to Note 20 “Additional disclosures on financial instruments” in the notes to the consolidated financial statements.

Tax risk

The Company is active on a global basis and thus subject to different tax systems. Unless the requirements for the formation of a provision or liability are met, both national and international tax risks are incorporated within financial risks and monitored accordingly. At present, the material tax risks are related to the Company in India. To minimise future tax risks, the Group continuously monitors compliance with national tax laws and international guidelines such as those of the OECD (in particular with a view to the BEPS action plan (Base Erosion and Profit Shifting)). Although AT&S strives to comply with all tax laws and regulations, there is a risk of different interpretations of international transactions in different countries, which may lead to double taxation and additional tax burdens. In addition, there is a risk of higher tax burdens resulting from future changes in tax legislation.

ESG

ESG risks, i.e. risks regarding environmental, social, and governance issues, have also been considered as part of corporate risk management. For further information regarding material ESG risks, please refer to the non-financial report 2023/24, section “ESG opportunities and risk management”.

5.3. Internal control and risk management system with regard to accounting

The accounting-related Internal Control and Risk Management system is an integral part of the Group-wide risk management system. According to the framework concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), the actual risk management, as well as the Internal Control System (ICS), are subsumed under the concept of company-wide risk management. The main criteria of Risk Management, Internal Control System, and Internal Audit of AT&S are specified in a Group-wide risk management and audit manual.

The documentation of the internal controls (business processes, risks, control measures, and those responsible) is made principally in the form of control matrices, which are archived in a central management database. The accounting-related Internal Control System includes principles, procedures, and measures to ensure the compliance of accounting in terms of control targets described for financial reporting. The Internal Control System aims to ensure the effectiveness and efficiency of the business activities, reliable financial reporting, and compliance with the applicable legal requirements and internal regulations.

Further principles of the ICS are:

- Identification of operating risks and definition and implementation of adequate control measures
- Ensuring an adequate separation of functions
- Ensuring the correctness and completeness of accounting
- Ensuring transparency and traceability
- Disclosure of damage already done
- Protection of property, plant and equipment and intangible assets

The accounting procedures are documented in separate process instructions. These processes are standardised across the Group and are presented in a documentation format. Additional requirements for accounting procedures result from specific local regulations. The basic principles of accounting and reporting are documented in the process descriptions and in detailed process instructions, which are also filed in the central document management system. In addition, guidelines on measurement procedures and organisational requirements in connection with the processes of accounting and preparing financial statements are compiled and updated regularly. The necessary control measures in connection with accounting processes, for example, access authorisations and separation of functions, are documented in the Internal Control System. Their implementation and effectiveness are regularly reviewed by Internal Audit and any improvement measures are identified.

The internal financial reporting is done monthly as part of Group reporting, with the financial information being reviewed and analysed by the Corporate Finance and Corporate Controlling departments. The monthly budget/actual variance with corresponding comments on the results of the segments, of the plants as well as of the Company, is reported internally to the executives and the members of the Supervisory Board.

The annual preparation of the budget is carried out by the Corporate Controlling department. Quarterly forecasts are drawn up during the year for the remaining financial year based on the quarterly results and current planning information. The forecasts, with comments on the budget comparison and presentations on the impact of opportunities and risks up to the end of the financial year, are reported to the Supervisory Board. In addition to regular reporting, multiple-year planning, project-related financial information or calculations on investment projects are prepared and submitted to the Supervisory Board.

6. OUTLOOK

Macroeconomic development

In 2023, the economy largely returned to pre-COVID-19 conditions. Supply chains and demand stabilized, while central banks tightened the monetary reins to curb inflation.

In most regions, headline inflation slowed from the peaks experienced in 2022. However, core inflation, which excludes volatile prices for food and energy, proved stickier. Consumer demand remained muted in most major economies, as inflation and high interest rates reduced purchasing power. Global output, measured by Gross Domestic Product (GDP), increased by an estimated 3.1% in 2023, with advanced economies experiencing slower growth than emerging markets and developing economies. GDP grew by 0.5% in the euro area, by 5.2% in China, and by 2.5% in the United States. Projections for 2024 predict a global GDP growth of 3.1%.[19]

Conflicts and geopolitics continued to play a significant role on the international stage. One of the most discussed topics was the continued effort of the United States, supported by European and Asian partners, to restrict Chinese access to advanced technologies via export restrictions and bans targeting an increasing number of Chinese companies. The ongoing war in eastern Ukraine and, since Autumn 2023, the ongoing bombardment of the Gaza strip by the Israeli army following an attack by Hamas on 7 October 2023, have also contributed to the increase of tensions in the Middle East as well as internationally.

Market analyses anticipate a declining trend of 4% for printed circuit boards and of 8% for IC substrates for the calendar year 2024. For further information on industry and technology trends please refer to Section 1 “Market and industry environment” of the Management Report.

Expected market environment

The expectations for AT&S’s segments are currently as follows: In the area of mobile devices, where overall market conditions are weak, demand is expected to recover only slightly; this segment will remain a challenge for AT&S. In contrast, the module printed circuit board business continues to develop positively.

Although the PCB market in the automotive segment is currently under pressure due to higher inventory levels in the supply chain, among other things, it is subject to a growth trend in the medium term, as the electronic content per vehicle continues to increase. In the Industrial segment, a slight recovery of the market is expected in 2024.

The market for notebooks is generally volatile and subject to significant quarterly fluctuations. In the markets for IC substrates, demand for notebooks in 2024 is expected to be slightly higher than in 2023. This should lead to higher demand for IC substrates since inventories have now normalized.

Since a growing share of investments in the server market is currently directed towards high-priced products focused on artificial intelligence, the reduction of inventories is proceeding more slowly than initially expected. Inventory levels should have normalized by the second half of the financial year 2024/25, and demand for server products is expected to pick up again. The most recent order planning of AT&S’s main customers also indicates such a development. Due to the expected change in architecture, the product mix should continue to change, with the trends towards technologically higher-end IC substrates also expected to continue; AT&S will benefit from this trend.

Overall guidance for the financial year 2024/25

AT&S endeavors to finance its capital requirements at an early stage and currently has a liquidity reserve of € 1,276.8 million. Measures to secure future liquidity are continuously evaluated. In addition to the prolongation and raising of new loans, the sale of the subsidiary in South Korea is also being considered.

Some of the industries served by AT&S have stabilized over the past months. On this basis, demand is expected to recover in terms of volume, in particular in the second half of the financial year 2024/25. Nevertheless, the company assumes that strong price pressure will continue. The consistent implementation of and further focus on the already ongoing efficiency programs is intended to counter this pressure. In addition to comprehensive cost-cutting measures, a reduction of up to 1,000 employees will be implemented at the existing locations.

[19] IMF, “World Economic Outlook Update”, January 2024

After the high investments of € 996 million in 2022/23 and € 855 million in 2023/24, net capex will decline significantly in the coming years. The management is planning investments of roughly € 500 million for the financial year 2024/25 depending on the market environment and progress of projects. The majority of these investments will be used for the IC substrate production at the new plants in Kulim and Leoben. With the start of high-volume production at the two plants at the end of the financial year 2024/25, AT&S will continue to further differentiate its customer base for IC substrates.

AT&S expects to generate annual revenue in the range of € 1.7 to € 1.8 billion in the financial year 2024/25.[20] Excluding effects from the start-up of the new production capacities in Kulim and Leoben amounting to roughly € 80 million, the adjusted EBITDA margin is expected to range between 25 and 27%.

Leoben-Hinterberg, 13 May 2024

The Management Board

Andreas Gerstenmayer m.p.
Peter Schneider m.p.
Peter Griehsnig m.p.
Petra Preining m.p.
Ingolf Schröder m.p.

[20] Refers to the current company structure, including the plant in Ansan, Korea

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 2023/24

This report is a translation of the German original, which is solely valid.

Auditor's report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AT&S Austria Technologie & Systemtechnik Aktiengesellschaft, Leoben (the Group), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those 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 laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

1. Recoverability of deferred tax assets

- Description and Issue

The Group has recognised deferred tax assets in the amount of TEUR 26.349 (prior year: TEUR 19.911). Therein included are deferred tax assets from tax loss carryforwards amounting to TEUR 39.040 (prior year: TEUR 27.908) before netting with deferred tax liabilities.

The recognition of deferred tax assets is based on the assumption that within a planning period enough taxable income will be generated against which the tax loss carried forward and other deductible temporary differences can be utilised. These assumptions are based on estimates of the current as well as the planned taxable results and the taxable impact of any future measures implemented by the companies concerned.

For further information we refer to the notes to the consolidated financial statements

- Section I.B.e on accounting and measurement policies in respect of income taxes
- Section I.C. on critical accounting estimates and assumptions concerning recognition and measurement of deferred income tax and current tax liabilities
- Section III.6. note on income taxes.

The valuation of deferred tax assets requires judgement and involves significant estimation uncertainties, and therefore, constitutes a risk of material misstatement in the consolidated financial statements. Estimation uncertainties exist in particular in relation to the assumption made in the business plan and their effect on taxable results. For this reason, we identified this issue as a key audit matter.

- Our Response

For all material consolidated companies we have

- evaluated the process relating to the calculation of future taxable income as basis for the recognized deferred tax assets,
- retraced the changes in tax loss carryforwards on basis of the preliminary tax calculation,
- ensured that planned taxable results on which the calculation is based is in line with the business plan of the entity,
- analyzed the assumptions made concerning the usability of the loss carryforwards and the temporary differences as well as critically assessed the underlying planning assumptions, and
- audited the presentation and explanations in the notes to the consolidated financial statement.

2. Revenue Recognition over time according to IFRS 15

- Description and Issue

Pursuant to IFRS 15 Revenue from Contracts with Customers, the Group recognizes revenue over time for a part of the customers. According to IFRS 15.35c revenue must be recognized over time when products specifically tailored to the needs of the customers are produced and thus have no alternative use and the entity has the enforceable right to payment for performance of the service completed to date, including a margin.

Performance obligations that in accordance with over time revenue recognition criteria are already satisfied but the payment is still outstanding, shall be recognized as contract assets in accordance with IFRS 15. As of March 31, 2024, the group states contract assets in the amount of TEUR 118.756 (prior year: TEUR 135.176) after considering impairment according to IFRS 9. The revenue recognized over time in the financial year 2023/24 amounts to TEUR 982.798 (prior year: TEUR 1.015.265).

For further information we refer to the notes to the consolidated financial statements:

- Section I.B.d on the accounting and measurement policies in respect of revenues from contracts with customers
- Section III.1 Revenue
- Section IV.11. Trade and other receivables and contract assets

For the group wide analysis of the contractual and legal basis regarding the relevant accounting criteria for the identification of revenues that need to be recognized over time significant judgment from the management is involved, especially with regard to the evaluation if the enforceable right to payment for performance of the completed service exists. Furthermore because of the multitude of different types of contracts with customers, the group wide calculation of the contract assets to be recognized as of the reporting date are to be considered complex. For this reason, we identified this issue as a key audit matter.

- Our Response

We have

- assessed the groups accounting policies regarding revenue recognition, taking into consideration industry-specific circumstances, our understanding of the business as well as the analysis of a sample of contract assessments done by the management to verify that IFRS 15 was implemented properly,
- audited accuracy and completeness of the automatically generated reports for the calculation of the contract assets involving internal specialists and
- audited, based on samples, that revenue was actually recognised in line with the Group accounting policies on over time revenue recognition

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the consolidated management report and our auditor's report thereon. The consolidated corporate governance report and the consolidated non-financial report were made available to us before the date of the auditor's report, and the other parts of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we, based on the work we did before the date of this report on the other information, conclude that the other information is materially misstated, we have to report it. In that respect, we have nothing to report.

Responsibilities of Management Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB, and for such internal control as management 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, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

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 the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, 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.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

Statement

n the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on July 6, 2023 and commissioned by the supervisory board on October 31, 2023 to audit the consolidated financial statements for the financial year ending on March 31, 2024. We have been auditing the Group uninterrupted since the financial year ending March 31, 2021.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Gerhard Marterbauer.

Vienna

May 14, 2024

Deloitte Audit Wirtschaftsprüfungs GmbH

Gerhard Marterbauer m.p.
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft

FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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Balance Sheet

AT & S AUSTRIA TECHNOLOGIE & SYSTEMTECHNIK AKTIENGESELLSCHAFT
LEOBEN-HINTERBERG
BALANCE SHEET AS OF 31 MARCH 2024
(Prior year for comparison)

in € ASSETS	31 Mar 2024	31 Mar 2023
A. FIXED ASSETS		
I. Intangible Assets		
1. industrial property rights and similar rights, and licenses thereto	5.489.443,52	4.548.969,15
	5.489.443,52	**4.548.969,15**
II. Property, plant and equipment		
1. land and buildings, including buildings on third-party land	346.546.336,04	12.031.236,68
2. machinery and technical equipment	138.436.618,12	129.414.921,32
3. other assets, fixtures and furniture	10.286.823,19	11.077.397,79
4. prepayments and construction in progress	147.982.382,46	19.907.358,19
	643.252.159,81	**172.430.913,98**
III. Financial assets		
1. shares in affiliated companies	400.408.507,60	320.408.507,60
2. loans to affiliated companies	2.344.082.198,40	1.927.410.743,64
of which due and payable within more than one year	*2.337.529.091,90*	*1.927.410.743,64*
3. securities	93.753,81	93.753,81
4. other loans and advances	15.144.623,62	47.486.118,13
of which due and payable within more than one year	*13.868.738,41*	*47.486.118,13*
	2.759.729.083,43	**2.295.399.123,18**
	3.408.470.686,76	**2.472.379.006,31**
B. CURRENT ASSETS		
I. Inventories		
1. raw materials and supplies	18.133.359,76	15.114.062,43
2. work in progress	8.800.205,10	10.225.112,92
3. finished goods and goods for resale	15.888.784,26	20.110.966,72
	42.822.349,12	**45.450.142,07**
II. Receivables and other assets	0,00	
1. trade receivables	59.630.983,42	39.520.216,89
of which due and payable within more than one year	*0,00*	*0,00*
2. receivables from affiliated companies	21.554.467,66	7.330.273,96
of which due and payable within more than one year	*0,00*	*0,00*
3. other receivables and assets	52.573.900,44	77.444.852,59
of which due and payable within more than one year	*0,00*	*0,00*
	133.759.351,52	**124.295.343,44**
III. Securities and shares		
1. other securities and shares	946.000,00	876.500,00
	946.000,00	**876.500,00**
IV. Cash on hand, bank balances	446.682.152,68	505.598.256,63
	624.209.853,32	**676.220.242,14**
C. PREPAYMENTS AND ACCRUED INCOME	**8.704.767,91**	**7.079.116,53**
D. DEFERRED TAX ASSETS	**45.981.934,00**	**38.049.851,00**
TOTAL ASSETS	4.087.367.241,99	**3.193.728.215,98**

SHAREHOLDER´S EQUITY AND LIABILITIES	31 Mar 2024	31 Mar 2023
A. SHAREHOLDER'S EQUITY		
I. Share capital	**42.735.000,00**	**42.735.000,00**
Capital subscribed	*42.735.000,00*	*42.735.000,00*
paid-in nominal capital	*42.735.000,00*	*42.735.000,00*
II. Capital reserves appropriated	**163.270.702,50**	**163.270.702,50**
III. Revenue reserves		
1. statutory reserve	**4.273.500,00**	**4.273.500,00**
2. other reserves (free reserves)	**17.505.782,55**	**17.505.782,55**
IV. Unappropriated retained earnings	**325.707.202,91**	**238.505.515,30**
of which profit/loss carried forward	*222.965.515,30*	*22.835.790,14*
	553.492.187,96	**466.290.500,35**
B. GOVERNMENT GRANTS	**8.235.978,33**	**4.057.975,88**
C. PROVISIONS		
1. provisions for severance payments	21.314.209,67	21.609.587,26
2. provisions for pensions	9.954.370,28	8.910.700,03
3. tax provisions	0,00	0,00
4. other provisions	35.911.103,03	32.104.417,63
	67.179.682,98	**62.624.704,92**
D. LIABILITIES		
1. bonds	365.000.000,00	365.000.000,00
of which due and payable within less than one year	*0,00*	*0,00*
of which due and payable within more than one year	*365.000.000,00*	*365.000.000,00*
2. bank loans	895.692.732,08	679.708.418,59
of which due and payable within less than one year	*286.850.596,08*	*197.564.138,59*
of which due and payable within more than one year	*608.842.136,00*	*482.144.280,00*
3. promissory note loans	642.569.903,72	703.968.148,01
of which due and payable within less than one year	*90.069.903,72*	*346.468.148,01*
of which due and payable within more than one year	*552.500.000,00*	*357.500.000,00*
4. liabilities financing partners	871.812.571,12	609.551.145,98
of which due and payable within less than one year	*111.152.976,64*	*111.152.976,64*
of which due and payable within more than one year	*760.659.594,48*	*498.398.169,34*
5. liabilities finance leasing	279.183.909,23	0,00
of which due and payable within less than one year	*21.403.943,51*	*0,00*
of which due and payable within more than one year	*257.779.965,72*	*0,00*
6. advances received	*228.958.118,07*	190.890.187,39
7. trade payables	69.057.944,31	37.622.998,74
of which due and payable within less than one year	*69.057.944,31*	*37.622.998,74*
of which due and payable within more than one year	*0,00*	*0,00*
8. payables to affiliated companies	89.374.137,66	59.428.244,19
of which due and payable within less than one year	*89.374.137,66*	*59.428.244,19*
of which due and payable within more than one year	0,00	0,00
9. other liabilities	13.880.443,02	13.479.168,45
of which due and payable within less than one year	*13.880.443,02*	*11.001.834,45*
of which due and payable within more than one year	*0,00*	*2.477.334,00*
of which tax authorities	*4.524.405,90*	*2.244.362,43*
of which social security authorities	*2.994.658,05*	*2.895.011,11*
	3.455.529.759,21	**2.659.648.311,35**
E. ACCRUALS AND DEFERRED INCOME	**2.929.633,51**	**1.106.723,48**
TOTAL EQUITY AND LIABILITIES	4.087.367.241,99	**3.193.728.215,98**

Profit- and Loss Statement

AT & S AUSTRIA TECHNOLOGIE & SYSTEMTECHNIK AKTIENGESELLSCHAFT
LEOBEN-HINTERBERG
PROFIT AND LOSS ACCOUNT FOR THE PERIOD
1 APRIL 2023 TO 31 MARCH 2024
(Prior year for comparison)

in €	2023/24	2022/23
1. Sales Revenue	**550.291.721,60**	**498.338.649,41**
2. Variation in stocks of finished goods and in work in progress as well as in services rendered but not yet billable	**-3.526.609,05**	**2.494.216,22**
3. Work performed by the undertaking for its own purposes and capitalised	**16.146,96**	**0,00**
4. Other operating income	**21.669.584,91**	**33.787.294,86**
a) Income from the disposal of or additions to fixed assets other than financial assets	42.000,00	235,55
b) Income from the release of provisions	726.311,81	1.757.346,77
c) Other	20.901.273,10	32.029.712,54
5. Expenditure for raw materials and consumables and other external expenses for production services	**-362.988.556,39**	**-326.209.315,84**
a) Expenditure for raw materials and consumables	-335.075.017,99	-294.338.565,08
b) Other external expenses for production services	-27.913.538,40	-31.870.750,76
6. Personnel expenses	**-156.471.480,29**	**-136.820.449,27**
a) Wages and salaries	-30.480.201,44	-28.763.792,94
aa) Wages	-89.900.684,11	-73.275.664,15
bb) Salaries		
b) Social security expenses		
aa) of which for retirement benefits	-1.799.940,16	-1.546.145,56
bb) expenditure for severance payments and	-2.845.149,65	-4.960.718,20
cc) expenditure for statutory social contributions as well as charges and mandatory contributions calculated as a proportion of wages and salaries	-30.039.534,24	-26.686.529,78
dd) other social expenses	-1.405.970,69	-1.587.598,64
7. Value adjustments	**-31.668.025,58**	**-23.568.893,59**
a) in respect of tangible and intangible fixed assets	-32.758.166,54	-24.185.640,27
b) less amortisation of investment grants from public funds	1.090.140,96	616.746,68
8. Other operating expenses	**-89.795.819,71**	**-101.427.766,76**
a) Taxes, not to be shown under No. 18	-606.752,02	-570.265,96
b) Other	-89.189.067,69	-100.857.500,80
9. Subtotal of Nos. 1 - 8	**-72.473.037,55**	**-53.406.264,97**
10. Income from participating interest	**117.223.013,37**	**213.976.726,23**
thereof from affiliated companies	*117.223.013,37*	*213.976.726,23*
11. Income from other investments and loans forming part of the fixed assets	**144.241.118,73**	**91.252.168,04**
thereof from affiliated companies	*144.178.585,43*	*91.216.239,13*
12. Other interest receivable and similar income	**20.192.381,07**	**20.907.006,31**
thereof from affiliated companies	*692.227,20*	*9.783.212,89*
13. Income from the disposal or revaluation of financial assets and securities shown in current assets	**2.034.454,87**	**1.015.385,79**
Income from affiliated companies	*1.741.321,12*	*0,00*
thereof from write-ups	*1.810.821,12*	*28.000,00*
14. Expenditure resulting from financial fixed assets and securities shown in current assets	**-1.297.729,55**	**-16.456.157,67**
thereof from write-offs	*-1.182.344,50*	*-16.456.157,67*
thereof from affiliated companies	*0,00*	*-16.456.157,67*
15. Interest payable and similar expenses	**-111.866.087,51**	**-60.068.119,39**
thereof from affiliated companies	*-943.409,19*	*-1.050.981,65*
16. Subtotal of Nos. 10 - 15	**170.527.150,98**	**250.627.009,31**
17. Profit before taxation (Subtotal of No. 9 and No. 16)	**98.054.113,43**	**197.220.744,34**
18. Taxes on income	**4.687.574,18**	**18.448.980,82**
of which changes in recognised deffered taxes	*7.932.083,00*	*20.025.434,00*
19. Profit after taxation	**102.741.687,61**	**215.669.725,16**
20. Profit carried forward from the previous year	**222.965.515,30**	**22.835.790,14**
21. Balance sheet profit	**325.707.202,91**	**238.505.515,30**

Notes to the Financial Statements as of 31 March 2024

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1. GENERAL INFORMATION

The financial statements of AT & S Austria Technologie & Systemtechnik AG (hereinafter referred to as “AT&S”) as of 31 March 2024 have been prepared in accordance with the provisions of the Austrian Commercial Code (UGB) as amended. The financial statements, prepared under Austrian generally accepted accounting principles, present a true and fair view of the assets and liabilities, the financial situation of the company as of 31 March 2024, as well as of the results of its operations for the year then ended.

In particular, the principles of going concern and individual valuation were adhered to in the seperate valuation of assets and liabilities. The principle of prudence was applied as all identifiable risks and impending losses were taken into account. Only the profits realised at the balance sheet date were recognised. Previously applied valuation methods were maintained.

Estimations are based on prudent judgments. If empirical values determined by statistical methods from similar circumstances are available, they are to be taken into account.

If assets or liabilities pertain to several items of the balance sheet, they are disclosed under the respective item they are stated.

2. GROUP RELATIONS AND RESTRUCTURING OPERATIONS

Since 31 March 1999, AT&S has been a parent company within the meaning of section 244 UGB.

By applying the provisions of section 245a UGB, the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), complemented by notes and comments that are statutory under commercial law. A management report for the Group is also prepared.

AT&S prepares the consolidated financial statements for the largest and smallest group of companies. The financial statements are deposited with Commercial court in Leoben.

Advantage was taken of the exemptions provided under section 245 (1) UGB.

The corporate law measures taken in the financial year are presented below:

In the financial year, AT&S Austria Technologie & Systemtechnik (Malaysia) Sdn. Bhd., Malaysia, underwent a capital increase from company funds in the amount of €80,000,000.00.

3. ACCOUNTING AND VALUATION METHODS

3.1. Non-current assets

Intangible and **tangible assets** are recognised at acquisition or production cost plus incidental acquisition cost less scheduled and unscheduled amortisation/depreciation. Impairment losses pursuant to Section 204 (2) UGB) are only recognized if the impairment in value is expected to be permanent. Low-value assets are written off in full in the year of acquisition.

Scheduled amortisation/depreciation is charged on a straight-line basis according to the useful life.

	Useful life
Intangible assets	4 - 10 years
Buildings including Buildings on third party land	15 - 40 years
Machinery and technical equipment	7 - 15 years
Other assets, fixtures and furnitures	3 - 10 years

For additions during the first half of the financial year, the full annual amortisation/depreciation was charged, for additions during the second half of the financial year, half of the annual amortisation/depreciation was charged. With regard to additions, amortisation/depreciation is calculated on the basis of the date of their initial use.

Financial assets are stated at acquisition costs or the lower market values at the balance sheet date.

3.2. Current assets

Raw materials and supplies as well as **merchandise** are valued at acquisition costs taking into account the strict lower of cost or market principle. Spare parts are valued at acquisition costs less a percentage with regard to discounts granted for asset classes. Discounts and bonuses received, as well as transport costs and customs were taken into account.

Work in process and **finished goods** were valued at production costs. Material and production overhead costs were also included in the production costs.

Receivables and other assets are stated at nominal values. Provisions are recognized for identifiable default risks, while unidentified default risks are accounted for by recognizing portfolio valuation allowances. Trade accounts receivable and loans for which there are no substantial indications of impairment are written down on a general basis as part of the portfolio valuation allowances. In accordance with Section 201 (2) no. 7 UGB, statistical empirical values from similar cases are used or taken into account when determining portfolio valuation allowances.

Receivables denominated in foreign currencies are translated using the exchange rate at the date of the original transaction or the lower bank buying rate at the balance sheet date.

Current securities are valued at acquisition costs or the lower market prices at the balance sheet date.

Cash and cash equivalents held at banks denominated in foreign currencies are recognized at the exchange rate prevailing at the time of origination or lower exchange rate at the balance sheet date.

3.3. Prepaid expenses and deferred charges

Prepaid expenses and deferred charges are reported as an item of deferred expenses before reporting date as long as it is expenditure for a specific period after the balance sheet date.

3.4. Deferred taxes

Differences between the carrying amounts in the financial statements and the taxable carrying amounts of fixed assets, provisions, liabilities and deferred items, which are expected to be offset in future financial years are calculated according to the “temporary concept” and are recognised as deferred tax assets in the Balance Sheet in case of a resulting overall tax relief.

For future tax benefits arising from the carryforward of unused losses are recognised to the extent, as there are convincing and substantial evidences that sufficient taxable profit will be available in the next five years.

For the calculation of deferred taxes, tax rates are used, that have been enacted or substantively enacted on the balance sheet date and are expected to apply when the realisation of tax relief or tax burden is expected. The calculation is based on the tax rate of 23 % with expected realisation from the fiscal year 2024/2025.

An offsetting of deferred tax assets with deferred tax liabilities is carried out, if necessary, to the extent that it is legally possible to offset the actual tax refund claims with the actual tax liabilities.

3.5. Provisions

The calculation of **provisions for severance payments** is based on the AFRAC-statement 27 “provisions for pensions, severance payments, anniversary bonus and comparable other long-term employee benefits persuant to the Austrian commercial Code“ (June 2022) pursuant to IFRS measurement requirements (IAS 19) based on the “projected unit credit method”, applying a discount rate of 3.60 % (prior year: 4.00 %) and a pensionable age according to the provisions of the 2003 pension reform as well as on the mortality tables AVÖ 2018-P. Furthermore, the company-specific staff turnover was taken into account by using an adequate turnover rate. As valorisation for salaries and wages 3.70 % were scheduled (prior year: 3.70 %). The defined benefit obligation (DBO) amounts to € 21,174,209.67 (prior year: € 20,312,172.46) at the balance sheet date.

The change in the financial assumptions lead to an expense of € 797,778.92 (prior year: income of € 2,741,414.25), which is reported in the financial result.

The calculation of **provisions for pensions** is based on the AFRAC-statement 27 “provisions for pensions, severance payments, anniversary bonus and comparable other long-term employee benefits persuant to the Austrian commercial Code“ (June 2022) pursuant to IFRS measurement requirements (IAS 19) based on the “projected unit credit method”, applying a discount rate of 3.70 % (prior year: 4.10 %) based on the mortality tables AVÖ 2018-P. The pensionable age was determined according to the provisions of the 2003 pension reform. The uprating of the pensionable age for women starting from 01 January 2024 is also considered in the calculation 3.30 % as a value adjustment for pension payments were recognised (prior year: 3.30 %).

The defined benefit obligation (DBO) of unfunded benefit obligations amounts to € 1,329,740.37 (prior year: € 1,240,598.95) at the balance sheet date. The change in the financial assumptions of unfunded benefit obligations results in an Expense of € 49,435.75 (prior year: income of € 130,964.41), which is reported in the financial result.

Moreover, pension obligations were in part transferred to APK Pensionskasse AG, Vienna, for which a provision was made at the balance sheet date. The defined benefit obligation (DBO) less plan assets amounts to € 8,624,629.91 (prior year: € 7,670,101.08) at the balance sheet date. The change in the financial assumptions of the funded obligations results in an expense of € 445,018.70 (prior year: income of € 2,081,664.52), which is reported in the financial result.

The calculation of **provision for anniversary bonuses** is based on the AFRAC-statement 27 "provisions for pensions, severance payments, anniversary bonus and comparable other long-term employee benefits persuant to the Austrian commercial Code" (June 2022) pursuant to IFRS measurement requirements (IAS 19) applying the "projected unit credit method" based on entitlements pursuant to collective agreements, applying a discount rate of 3.60 % (prior year: 4.00 %) as well as taking into account internal fluctuation by using an adequate turnover rate. As valorisation for salaries and wages 3.70 % were scheduled (prior year: 3.70 %).

Wages include income from the release of provisons for anniversary bonuses of € 93,104.05 (prior year: income of € 85,780.50). Expenses for anniversary bonuses in salaries amounted to € 120,807.88 (prior year: € 54,617.65).

The change in the financial assumptions results in an expense of € 166,144.91 (prior year: income of € 641,517.43), which is reported in the financial result.

Provisions for impending losses from derivative financial instruments are recognised for negative market values in accordance with the imparity principle. Positive market values are not recognised in the balance sheet in accordance with the principle of prudence.

Other provisions are calculated in accordance with statutory requirements taking into account all identifiable risks and uncertain liabilities. The other provisions are stated at their amount repayable. Provisions with a remaining term of more than one year are discounted at a market interest rate.

3.6. Liabilities

Liabilities are stated at the amount repayable.

Liabilities denominated in foreign currencies are translated using the exchange rate at the date of the original transaction or the higher bank selling rate at the balance sheet date.

3.7. Accruals and deferred income

Accruals and deferred income are reported as an item of deferred income before the reporting date as long as it is revenue for a specific period after the balance sheet date. In order to deliver a true and fair view of the net assets, financial position and results of operations, accrued expense subsidies are reclassified as liabilities from deferred income.

4. BREAKDOWN AND COMMENTS ON BALANCE SHEET ITEMS

4.1. Non-current assets

The item “buildings including buildings on third party land” includes land values in the amount of € 3,814,473.95 (prior year: € 1,229,400.11), as well as the finance leasing agreement for the new research center and production plant in Hinterberg/Leoben in the amount of € 335,628,894.44.

The item "prepayments and construction in progress" includes accurals for machinery and equipment in transit in the amount of € 12,651,799.11.

Reference is made to the following table for the development of non-current asset items.

AT & S AUSTRIA TECHNOLOGIE & SYSTEMTECHNIK AKTIENGESELLSCHAFT
LEOBEN-HINTERBERG

Non-current Assets movements for the year ended 31 March 2024

in €	Acquisition/Production cost					Accumulated amortization/Depreciation					Book value	
	as of 1 April 2023	Additions	Disposals	Transfers	as of 31 March 2024	as of 1 April 2023	Additions	Disposals	Transfers	as of 31 March 2024	as of 31 March 2024	as of 31 March 2023
I. Intangible assets												
1. industrial property rights and similar rights, and licences thereto	39.812.753,40	3.432.449,61	19.599,08	0,00	43.225.603,93	35.263.784,25	2.491.975,24	19.599,08	0,00	37.736.160,41	5.489.443,52	4.548.969,15
thereof low-value assets	*0,00*	*15.209,08*	*15.209,08*	*0,00*	*0,00*	*0,00*	*15.209,08*	*15.209,08*	*0,00*	*0,00*	*0,00*	*0,00*
	39.812.753,40	3.432.449,61	19.599,08	0,00	43.225.603,93	35.263.784,25	2.491.975,24	19.599,08	0,00	37.736.160,41	5.489.443,52	4.548.969,15
II. Property, plant and equipment												
1. land and buildings, including buildings on third-party land	18.689.422,43	339.343.612,36	0,00	411.399,01	358.444.433,80	6.658.185,75	5.239.912,01	0,00	0,00	11.898.097,76	346.546.336,04	12.031.236,68
2. machinery and technical equipment	333.455.256,93	26.981.745,52	4.114.390,02	2.904.566,94	359.227.179,37	204.040.335,61	20.864.615,66	4.114.390,02	0,00	220.790.561,25	138.436.618,12	129.414.921,32
3. other assets, fixtures and furnitures	29.844.033,26	3.335.961,31	975.200,56	38.500,00	32.243.294,01	18.766.635,47	4.161.663,63	971.828,28	0,00	21.956.470,82	10.286.823,19	11.077.397,79
thereof low-value assets	*0,00*	*828.828,73*	*828.828,73*	*0,00*	*0,00*	*0,00*	*828.828,73*	*828.828,73*	*0,00*	*0,00*	*0,00*	*0,00*
4. prepayments and construction in progress	19.907.358,19	131.429.490,22	0,00	-3.354.465,95	147.982.382,46	0,00	0,00	0,00	0,00	0,00	147.982.382,46	19.907.358,19
	401.896.070,81	501.090.809,41	5.089.590,58	0,00	897.897.289,64	229.465.156,83	30.266.191,30	5.086.218,30	0,00	254.645.129,83	643.252.159,81	172.430.913,98
III. Financial assets												
1. shares in affiliated companies	342.971.012,75	80.000.000,00	0,00	0,00	422.971.012,75	22.562.505,15	0,00	0,00	0,00	22.562.505,15	400.408.507,60	320.408.507,60
2. loans to affiliated companies	1.949.210.929,62	564.169.420,45	149.239.286,81	0,00	2.364.141.063,26	21.800.185,98	0,00	0,00	1.741.321,12	20.058.864,86	2.344.082.198,40	1.927.410.743,64
3. securities	168.753,81	0,00	0,00	0,00	168.753,81	75.000,00	0,00	0,00	0,00	75.000,00	93.753,81	93.753,81
4. other loans and advances	47.486.118,13	2.297.866,34	33.457.016,35	0,00	16.326.968,12	0,00	1.182.344,50	0,00	0,00	1.182.344,50	15.144.623,62	47.486.118,13
	2.339.836.814,31	646.467.286,79	182.696.303,16	0,00	2.803.607.797,94	44.437.691,13	1.182.344,50	0,00	1.741.321,12	43.878.714,51	2.759.729.083,43	2.295.399.123,18
	2.781.545.638,52	**1.150.990.545,81**	**187.805.492,82**	**0,00**	**3.744.730.691,51**	**309.166.632,21**	**33.940.511,04**	**5.105.817,38**	**1.741.321,12**	**336.260.004,75**	**3.408.470.686,76**	**2.472.379.006,31**

4.2. Shares in affiliated companies

SHARES IN AFFILIATED COMPANIES

in €

	Book value 31 Mar 2024	Share %	Shareholders' equity according to IFRS	Result of the past financial year according to IFRS	Book value 31 Mar 2023
AT&S Deutschland GmbH, Düren, Germany	1,053,000.00	100	507,684.64	143,636.86	1,053,000.00
AT&S India Private Limited, Nanjangud, India	16,898,516.89	100	16,339,752.17	18.373.97	16,898,516.89
AT&S Asia Pacific Limited, Hongkong, China	229,768,865.92	100	527,586,786.65	-13,606,447.20	229,768,865.92
AT&S Korea Co., Ltd., Ansan-City, South Korea	3,713,663.01	100	65,974,931.88	25,090,307.15	3,713,663.01
AT&S Americas LLC, San José, California, USA	6,444.34	100	2,305,840.44	376,857.14	6,444.34
AT&S Austria Technologie & Systemtechnik (Malaysia) Sdn. Bhd.	148,965,517.44	100	32,536,032.37	-85,727,281.23	68,965,517.44
AT&S Skandinavia (AB), Solna, Sweden	2,500.00	100	27,995.36	19,852.14	2,500.00
Total	**400,408,507.60**				**320,408,507.60**

Shares in affiliated companies are valued at acquisition cost or at their fair values at the balance sheet date.

For the book values of the shares in affiliated companies, an impairment test was carried out according to the AFRAC-statement 24 “Investment valuation” (December 2022). The carrying amounts of the shares in affiliated companies were analysed and there were no indications of a lower fair value.

4.3. Loans

The item „Loans to affiliated companies” includes an amount of € 6,553,106.50 (prior year: € 6,771,764.07) which falls due within one year. In connection with loans to affiliated companies are write-ups due to unrealised foreign exchange effects in the amount of € 1,741,321.12 (prior year: write-offs in the amount of € 16,456,157.67) were recorded in the financial year.

Under the item “Other Loans”, an amount of € 1,275,885.21 is due within one year. In connection with other loans, write-offs of € 1,182,344.50 (prior year: € 0.00) were made in the financial year due to unrealized foreign currency effects.

4.4. Receivables and other assets

ADDITIONAL DISCLOSURE TO RECEIVABLES

Trade receivables were assigned to banks to the amount 100 % of the nominal value and are fully derecognised on the basis of the cessions of the essential opportunities and risks and on the basis of the transfer of the right of use to the acquiring party. As of 31 March 2024 trade receivables in total of € 35,741,286.68 (prior year: € 19,998,258.39) were sold. The default risk was completely assigned to the purchaser. AT&S assumes a liability for default, which is partly covered by credit insurance. The maximum risk associated with liability to default was € 3,574,128.99 as of balance sheet date (prior year: € 1,999,826.46) less the credit insurance coverage. Claims of existing credit insurances were transferred to the purchaser if applicable. Payments from customers of assigned trade receivables are presented in other receivables. Received customer payments from sold receivables are reported in short-term liabilities against banks. The administration of the trade receivables remains at AT&S.

The receivables against affiliated companies consist exclusively of trade receivables of € 21.554.467,66 (prior year: € 7,330,273.96).

INCOME THAT WILL AFFECT CASH FLOW ONLY AFTER THE BALANCE SHEET DATE

Other receivables and assets include the following material income that will affect cash flow only after the balance sheet date:

INCOME THAT WILL AFFECT CASH FLOW ONLY AFTER THE BALANCE SHEET DATE
in €

	31 Mar 2024	31 Mar 2023
Tax-free premiums	28,446,264.00	16,345,590.86
Grant IPCEI	14,023,500.00	14,238,000.00
COVID-19 refunds	3,307,689.11	4,895,537.51
Energy tax reimbursements	1,183,426.94	1,105,565.31
Supplies rebates	606,772.28	545,448.10
Total	**47,567,652.33**	**37,130,141.78**

4.5. Deferred tax assets

The company has recognised deferred taxes for tax loss carryforwards amounting to € 179,181 thousand (prior year: € 147,317 thousand), which can be offset against future positive taxable income in line with the current tax planning.

The development of the deferred tax assets, classified by balance sheet items (temporary differences) and loss carryforwards, is as follows:

DEFERRED TAX ASSETS
in €

	Fixed assets	Prepaid expenses and deferred charges	Loss carryforwards	Provisions	Liabilities	**Total**
As of 31 Mar 2022	**12,321.00**	**0.00**	**12,096,029.00**	**4,932,741.00**	**983,326.00**	**18,024,417.00**
Recognised in profit or loss of the financial year	-2,464.00	172,666.00	21,786,801.00	-1,710,886.00	-220,683.00	**20,025,434.00**
As of 31 Mar 2023	**9,857.00**	**172,666.00**	**33,882,830.00**	**3,221,855.00**	**762,643.00**	**38,049,851.00**
Recognised in profit or loss of the financial year	-2,464.00	-115,166.00	7,328,834.00	674,913.00	45,966.00	**7,932,083.00**
As of 31 Mar 2024	**7,393.00**	**57,500.00**	**41,211,664.00**	**3,896,768.00**	**808,609.00**	**45,981,934.00**

The Minimum Taxation Reform Directive (2022/2523) to ensure global minimum taxation for multinational enterprise groups and large domestic groups in the Union was transposed into national law in Austria on 30 December 2023. The global minimum tax is intended to ensure that groups with worldwide sales of at least € 750 million are subject to an effective tax burden of at least 15 percent in the countries in which they operate. As AT&S has to apply the regulations for the first time for the financial year beginning on April 1. 2024, an evaluation of the potential impact of the global minimum tax was carried out. Based on current planning, it can be assumed that no minimum tax will be incurred for the next financial year.

In accordance with section 198 (10) sentence 3 no. 4 of the Austrian Commercial Code, no deferred taxes were recognised as a result of the application of the Minimum Tax Reform Act or a comparable foreign law.

4.6. Shareholders' equity

SHARE CAPITAL

The ordinary shares of the company as of 31 March 2024 amount to € 42,735,000.00 (prior year: € 42,735,000.00) and are made up of 38,850,000 (prior year: 38,850,000) no-par value bearer shares with a notional value of € 1.10 each.

APPROVED CAPITAL AND CONDITIONAL CAPITAL INCREASE

By resolution passed at the 25th annual general meeting on the 4 July 2019, the management board was authorised to increase the company's ordinary shares, subject upon approval by the supervisory board until 3 July 2024, by up to € 21,367,500.00 by way of issuing up to 19,425,000 new no-par value bearer shares against contribution in cash or in kind, in one or several tranches, also by way of indirect rights offering after having been taken over by one or more credit institutions in accordance with section 153 (6) Austrian Stock Corporation Act (AktG). In doing so, the management board was authorised, subject to approval by the supervisory board, to determine the detailed conditions for such issuance (in particular the issue amount, what the contribution in kind entails, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The supervisory board was authorised to adopt amendments to the articles of association resulting from the issuance of shares from the approved capital.

Furthermore, by resolution of the 25th annual general meeting on the 4 July 2019, the management board was authorised until 3 July 2024, subject to approval by the supervisory board, to issue one or several convertible bearer bonds at a total nominal amount of up to € 150,000,000.00 and to grant to bearers of convertible bonds subscription rights and/or conversion rights for up to 19,425,000 new no-par value bearer shares of the company in accordance with the convertible bond conditions to be defined by the management board. In this regard, the management board was also authorised to fully or partially exclude the shareholders' subscription right to convertible bonds.

Furthermore, in doing so, the company's ordinary shares were conditionally increased by up to € 21,367,500.00 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with section 159 (2) No, 1 AktG. This conditional capital increase is only carried out insofar as the bearers of convertible bonds issued based on the authorisation resolution passed at the annual general meeting on the 4 July 2019 claim the right to conversion and/or subscription granted to them with regard to the company's shares. Furthermore, the management board was authorised to determine, subject to approval by the supervisory board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights). The supervisory board was authorised to adopt amendments to the articles of association resulting from the issuance of shares from the conditional capital. The same applies in case the authorisation to issue convertible bonds is not exercised or the conditional capital is not used.

With regard to increasing the approved capital and/or the conditional capital increase, the following definition of amount in accordance with the resolutions passed at the 25th annual general meeting on the 4 July 2019 is to be observed: The sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000.

The annual general meeting further decided to accordingly amend the articles of association in section 4 (share capital).

FREE RESERVES

By resolution of the 27th annual general meeting on 8 July 2021, the Management Board was authorised, subject to the approval of the Supervisory Board, to rededicate an amount of up to € 50,000,000.00 of the – after distribution of a dividend – retained earnings carried forward into free reserves.

SHARES IN CIRCULATION

The issued shares amount to 38,850,000 per 31 March 2024 (prior year: 38,850,000).

APPROVED TREASURY SHARES

By a resolution passed at the 29th annual general meeting on 6 July 2023, the management board was authorised to acquire - within 30 months as from the resolution date - treasury shares to the maximum extent of up to 10 % of the ordinary shares of the company at a lowest price that may be no more than 30 % lower than the average unweighted closing rate of the last 10 trading days and at a highest price per share of a maximum of up to 30 % above the average unweighted closing rate of the last 10 trading days. The acquisition may be carried out via the stock exchange, by means of a public offering or in any other legal way and for any legal purpose. The authorisation also includes the acquisition of treasury shares by subsidiaries of the company (§ 66 AktG). Additionally, The management board was also authorised to withdraw repurchased treasury shares as well as treasury shares already held by the company without any other resolution of the annual general meeting. The supervisory board was authorised to adopt amendments to the articles of association resulting from the redemption of shares.The authorisations granted by the resolution of the 27th ordinary general meeting on July 8, 2021, under agenda item 10, have been revoked.

Furthermore the management board was authorised at the 25th annual general meeting on 4 July 2019, for a period of five years as of the date the resolution was passed, i.e, up to and including the 3 July 2024, upon approval by the supervisory board, to sell or use the repurchased treasury shares or treasury shares already held by the company also in a different way than via the stock exchange or by public offer, most notably for the following purposes:

- the servicing of stock transfer programmes,
- convertible bonds, or
- as consideration for the acquisition of entities, shares or other assets, and
- for any other legal purpose,

and by doing so, to exclude the general purchase option of shareholders (subscription right exclusion).

AT & S Austria Technologie & Systemtechnik AG does not hold any treasury shares (prior year: 0 shares) at the balance sheet date.

RESTRICTION OF THE DISTRIBUTION

For deferred tax assets amounting to € 45,981,934.00 (previous year: € 38,049,851.00), profits may only be distributed in accordance with Section 235 (2) UGB to the extent that the remaining reserves that can be released at any time plus any profit carried forward and less any loss carried forward are at least equal to the capitalized amount from deferred tax assets. For this reason, there is no distribution block for this year (previous year: € 0.00).

PROPOSAL FOR THE DISTRIBUTION OF THE RESULT

The Management Board of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft proposes that no dividend be distributed and that the entire balance sheet profit of € 325,707,202.91 as at 31 March 2024 be carried forward to new account.

4.7. Provisions

„Other Provisions“ include the following items:

OTHER PROVISIONS

in €

	31 Mar 2024	31 Mar 2023
Other personnel expenses	8,653,428.24	8,303,761.33
Holidays not yet consumed	6,345,893.24	5,851,514.97
Holiday bonus/Christmas bonus	5,307,395.53	4,685,338.28
Anniversary bonuses	4,619,547.82	4,630,767.99
Impending losses arising from derivative financial instruments	3,047,525.67	0.00
Legal and advisory expenses	1,558,191.33	1,128,869.38
Compensatory time off	1,277,695.29	1,180,318.24
Customer bonuses	1,141,613.62	547,116.94
Stock appreciation rights	875,776.00	2,203,630.00
Remuneration to the Supervisory Board	823,000.00	848,930.00
Pending losses	167,462.21	142,052.53
Warranty and claims	92,122.23	335,862.07
Debtors' discounts	32,198.12	98,378.42
Var. other provisions	1,969,253.73	2,147,877.48
Total	**35,911,103.03**	**32,104,417.63**

STOCK APPRECIATION RIGHTS PLAN (2017 TO 2019)

Due to the expiry of the stock option plan (2014 to 2016), the 91st supervisory board meeting on 6 June 2016 passed a resolution to introduce a long-term incentive programme based on stock appreciation rights (SAR). SAR relate to the value increase in share prices based on the development of the share price. SAR may be granted in the period between 1 April 2017 and 1 April 2019.

Under the stock appreciation rights plan “SAR 2017-2019“ on 1 April 2017 297,500 SAR were granted at an exercise price of € 9.96 per share. On 1 April 2018 270,000 SAR were granted at an exercise price of € 21.94 per share and on 1 April 2019 267,500 SAR were granted at an exercise price of € 17.25 per share.

Each SAR entitles the holder to the right to a cash settlement at the remaining amount between the exercise price and the closing rate of the AT&S share at the stock exchange with the main quotation (currently Vienna Stock Exchange) at the date the subscription right is exercised. The exercise price of the stock appreciation rights is restricted at 200 % of the exercise price of the date of grant.

Exercise price:
The exercise price of SAR is determined at the respective date of grant, corresponding to the average closing rate of the AT&S share at the Vienna Stock Exchange or at the stock exchange with the main quotation of the AT&S shares over a period of six calendar months immediately preceding the date of grant.

Exercise period:
SAR may be exercised in full or in part after the respective completion of a three-year period following the date of grant, not however during a restricted period. Granted stock appreciation rights not exercised within five years after the grant date become invalid and forfeit without compensation.

Requirements to exercise:
SAR may only be exercised by the beneficiaries if the following requirements are met at the date of exercise:

- The beneficiary's employment contract with a company pertaining to the AT&S Group remains valid. Subject to certain conditions, rights may also be exercised within a year after expiry of the three year waiting period.
- The required personal investment in the amount of 20% of the first amount granted (in SAR) in AT&S shares is held. If the personal investment is not fully established by the end of the three-year waiting period, the previously granted SAR of the "SAR 2017 – 2019" become forfeit in full. The established personal investment is required to be held over the complete period of participation in the programme and will also apply to the granting in the subsequent years. The personal investment may only be wound down when exercise is no longer possible.
- The earnings per share (EPS) performance target was met. The level of attainment of the earnings per share performance indicator determines how many of the SAR granted may actually be exercised. The target value is the EPS value determined in the mid-term plan for the balance sheet date of the third year after the grant date. If the EPS target is attained at 100 % or surpassed, the SAR granted may be exercised in full. If attainment is between 50 % and 100 %, the SAR granted may be exercised on a pro rata basis. If the EPS value attained is below 50 %, the SAR granted become forfeit in full.

Number and allocation of SAR granted:

in Units.	Andreas Gerstenmayer	Peter Griehsnig[1]	Heinz Moitzi[2]	Monika Stoisser-Göhring[2]	Karl Asamer[2]	Executive employees	Total
01 Apr 2017	50,000	10,000	30,000	30,000	30,000	147,500	297,500
thereof expired	-50,000	-10,000	-30,000	-30,000	-30,000	-147,500	-297,500
01 Apr 2018	50,000	10,000	30,000	30,000	0	150,000	270,000
thereof expired	-6,838	-1,368	-4,103	-4,103	0	-87,418	-103,830
thereof exercised	-43,162	-8,632	-25,897	-25,897	0	-62,582	-166,170
01 Apr 2019	50,000	10,000	30,000	30,000	0	147,500	267,500
thereof expired	0	0	0	0	0	-62,500	-62,500
thereof exercised	-50,000	-10,000	-30,000	-30,000	0	-85,000	205,000
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

[1] The allocations were made prior to appointment to the Management Board.
[2] Former member of the Management Board

The SAR exercised during the financial year had a value of € 10,500.00 when these SAR were exercised.

STOCK APPRECIATION RIGHTS PLAN (2020)

Due to the expiry of the stock appreciation rights plan (2017 to 2019), the 112th supervisory board meeting on 12 March 2020 passed again a resolution for a long-term incentive programme based on stock appreciation rights (SAR). SAR relate to the value increase in share prices based on the development of the share price. SAR allocation took place on 1 April 2020.

Under the stock appreciation rights plan "SAR 2020" on 1 April 2020 290,000 SAR were granted at an exercise price of € 17.56 per share.

Each SAR entitles the holder to the right to a cash settlement at the remaining amount between the exercise price and the closing rate of the AT&S share at the stock exchange with the main quotation (currently Vienna Stock Exchange) at the date the subscription right is exercised. The exercise price of the stock appreciation rights is restricted at 200 % of the exercise price of the date of grant.

Exercise price:
The exercise price of SAR is determined at the respective date of grant, corresponding to the average closing rate of the AT&S share at the Vienna Stock Exchange or at the stock exchange with the main quotation of the AT&S shares over a period of six calendar months immediately preceding the date of grant.

Exercise period:
SAR may be exercised in full or in part after the respective completion of a three-year period following the date of grant, not however during a restricted period. Granted stock appreciation rights not exercised within five years after the grant date become invalid and forfeit without compensation.

Requirements to exercise:
SAR may only be exercised by the beneficiaries if the following requirements are met at the date of exercise:

- The beneficiary's employment contract with a company pertaining to the AT&S Group remains valid. Subject to certain conditions, rights may also be exercised within a year after expiry of the three year waiting period.
- The required personal investment in the amount of 20 % of the first amount granted (in SAR) in AT&S shares is held. If the personal investment is not fully established by the end of the three-year waiting period, the previously granted SAR of the "SAR 2020" become forfeit in full. The established personal investment is required to be held over the complete period of participation in the programme. The personal investment may only be wound down when exercise is no longer possible.
- The earnings per share (EPS) performance target was met. The level of attainment of the earnings per share performance indicator determines how many of the SAR granted may actually be exercised. The target value is the EPS value determined in the mid-term plan for the balance sheet date of the third year after the grant date. If the EPS target is attained at 100 % or surpassed, the SAR granted may be exercised in full. If attainment is between 50 % and 100 %, the SAR granted may be exercised on a pro rata basis. If the EPS value attained is below 50 %, the SAR granted become forfeit in full.

Number and allocation of SAR granted to the management board:

in units	Andreas Gerstenmayer	Peter Griehsnig[1]	Heinz Moitzi[2]	Monika Stoisser-Göhring[2]	Executive employees	Total
01 Apr 2020	50,000	10,000	30,000	30,000	170,000	290,000
thereof expired	-16,407	-3,281	-30,000	-30,000	-77,607	-157,295
thereof exercised	-33,593	-6,719	0	0	-61,818	-102,130
Summe	**0**	**0**	**0**	**0**	**30,575**	**30,575**

[1] The allocations were made prior to appointment to the Management Board.
[2] Former member of the Management Board

The SAR exercised during the financial year had a value of € 1,481,418.50 when these SAR were exercised.

Valuation of SAR at the balance sheet date:
SARs are measured at fair value at the respective balance sheet date using the Monte Carlo method. The fair value of the SAR granted is recognised as expense over their term.

Fair value of SAR granted:

in €	
Allocation from	01 Apr 2020
Fair value as of 31 Mar 2024	**54,729.00**

STOCK APPRECIATION RIGHTS PLAN (2021 TO 2023)

Due to the expiry of the stock appreciation rights plan (2020), the 118th Supervisory Board meeting on 18 March 2021 passed again a resolution for a long-term incentive programme based on stock appreciation rights (SAR). SAR relate to the value increase in share prices based on the development of the share price. SAR may be granted in the period between 1 April 2021 and 1 April 2023.

Under the stock appreciation rights plan "SAR 2021-2023"on 1 April 2021 352,500 SAR were granted at an exercise price of € 22.92 per share and on the 1 April 2022 381,500 SAR were granted at an exercise price of € 42.81 per share and on the 1 April 2023 386,667 SAR were granted at an exercise price of € 32.30 per share.

Each SAR entitles the holder to the right to a cash settlement at the remaining amount between the exercise price and the closing rate of the AT&S share at the stock exchange with the main quotation (currently Vienna Stock Exchange) at the date the subscription right is exercised. The exercise price of the stock appreciation rights is restricted at 200 % of the exercise price of the date of grant.

Exercise price:
The exercise price of SAR is determined at the respective date of grant, corresponding to the average closing rate of the AT&S share at the Vienna Stock Exchange or at the stock exchange with the main quotation of the AT&S shares over a period of six calendar months immediately preceding the date of grant.

Exercise period:
SAR may be exercised in full or in part after the respective completion of a three-year period following the date of grant, not however during a restricted period. Granted stock appreciation rights not exercised within five years after the grant date become invalid and forfeit without compensation.

Requirements to exercise:
SAR may only be exercised by the beneficiaries if the following requirements are met at the date of exercise:

- The beneficiary's employment contract with a company pertaining to the AT&S Group remains valid. Subject to certain conditions, rights may also be exercised within a year after expiry of the three year waiting period.
- The required personal investment in the amount of 20 % of the first amount granted (in SAR) in AT&S shares multiplied with € 10,00 is held. If the personal investment is not fully established by the end of the three-year waiting period, the previously granted SAR of the "SAR 2021-2023" become forfeit in full. The established personal investment is required to be held over the complete period of participation in the programme and will also apply to the granting in the subsequent years. The personal investment may only be wound down when exercise is no longer possible.
- The earnings per share (EPS) performance target was met. The level of attainment of the earnings per share performance indicator determines how many of the SAR granted may actually be exercised. The target value is the EPS value determined in the mid-term plan for the balance sheet date of the third year after the grant date. If the EPS target is attained at 100 % or surpassed. the SAR granted may be exercised in full, If attainment is between 50 % and 100 %, the SAR granted may be exercised on a pro rata basis. If the EPS value attained is below 50 %, the SAR granted become forfeit in full. Eligible employees can exercise at least 50% of the allocated SAR (without Management Board allocation) from the allocations on 1 April 2021 and 1 April 2022, in the event of a positive consolidated operating result (EBIT). For these employees, the payout amount per stock price appreciation right is limited to 100% of the respective exercise price.

Number and allocation of SAR granted to the management board:

in units	Andreas Gerstenmayer	Peter Schneider	Peter Griehsnig[1]	Petra Preining	Ingolf Schröder	Simone Faath[2]	Heinz Moitzi[2]	Executive employees	Total
01 Apr 2021	50,000	30,000	10,000	0	30,000	30,000	5,000	197,500	352,500
therof expired	0	0	0	0	0	-30,000	0	-38,500	-68,500
01 Apr 2022	50,000	30,000	10,000	30,000	30,000	0	0	231,500	381,500
therof expired	0	0	0	0	0	0	0	-58,500	-58,500
01 Apr 2023	50,000	30,000	30,000	30,000	30,000	0	0	216,667	386,667
therof expired	0	0	0	0	0	0	0	-7,500	-7,500
Total	**150,000**	**90,000**	**50,000**	**60,000**	**90,000**	**0**	**5,000**	**541,167**	**986,167**

[1] The allocations on 1 April 2021 and 1 April 2022 took place before being appointinted as a member of the management board
[2] Former member of the management board

Valuation of SAR at the balance sheet date:
SARs are measured at fair value at the respective balance sheet date using the Monte Carlo method. The fair value of the SAR granted is recognised as expense over their term.

Fair value of SAR granted:

in €			
Allocation from	01.04.2021	01.04.2022	01.04.2023
Fair value as of 31 Mar 2024	**260,295.00**	**181,540.00**	**1,137,468.00**

4.8. Liabilities

ADDITIONAL DISCLOSURE TO LIABILITIES

in €	Balance sheet value as of 31 Mar 2024	Remaining maturity of more than five years	thereof secured by collaterals
Bonds	365,000,000.00	0	0
Bank loans	895,692,732.08	300,000,000.00	10,000,000.00
Promissory note loans	642,569,903.72	48,500,000.00	0
Liabilities to financing partners	871,812,571.12	318,734,339.20	139,159,476.76
Liabilities from financing leasing	279,183,909.23	158,140,902.87	279,183,909.23
Advances received	228,958,118.07	0	0
Trade payables	69,057,944.31	0	0
Payables to affiliated companies	89,374,137.66	0	0
Other liabilities	13,880,443.02	0	0
Total	**3,455,529,759.21**	**825,375,242.07**	**428,343,385.99**

in €	Balance sheet value as of 31 Mar 2023	Remaining maturity of more than five years	thereof secured by collaterals
Bonds	365,000,000.00	0.00	0.00
Bank loans	679,708,418.59	30,000,000.00	10,000,000.00
Promissory note loans	703,968,148.01	17,500,000.00	0.00
Liabilities to financing partners	609,551,145.98	915,331.81	0.00
Liabilities from financing leasing	0.00	0.00	0.00
Advances received	190,890,187.39	0.00	0.00
Trade payables	37,622,998.74	0.00	0.00
Payables to affiliated companies	59,428,244.19	0.00	0.00
Other liabilities	13,479,168.45	0.00	0.00
Total	**2,659,648,311.35**	**48,415,331.81**	**10,000,000.00**

The item "Bonds" includes a hybrid bond issued in January 2022 with an issue volume of € 350,000,000.00 and an interest rate of 5%. The subordinated bond has an infinite term and can be called and redeemed for the first time after five years, i,e, in January 2027, by AT&S but not by the creditors. If the bond is not called after this period, the premium on the then applicable interest rate increases by 5 percentage points.

Liabilities to financing partners in the amount of € 871,812,571.12 (previous year: € 609,551,145.98) result from payments received as part of bilateral agreements. The amount due within one year is € 111,152,976.64 (previous year: € 111,152,976.64).

The liabilities from finance leases in the amount of € 279,183,909.23 relate to the land and buildings for the new research center and production plant VOLT in Hinterberg/Leoben.

Payables to affiliated companies in the amount of € 89,374,137.66 (previous year: € 59,428,244.19) relate to trade payables.

As collateral, claims from trade recievables serve against claims from Banking institutions. Machines from the fixed assets of AT&S Austria Technologie & Systemtechnik (Malaysia) Sdn. Bhd. serve as collateral against claims from the financing partners. The leasing company is entitled to the developed land and building covered by the contract as collateral.

EXPENSES THAT WILL AFFECT CASH FLOW ONLY AFTER THE BALANCE SHEET DATE

The item "Other liabilities" includes the following material expenses that will affect cash flow only after the balance sheet date:

in €	31 Mar 2024	31 Mar 2023
Interest with regard to bonds	3,371,914.38	3,371,914.38
Regional health insurance	2,994,658.05	2,895,011.11
Tax authority	1,640,604.80	1,591,796.07
Wages and salaries	719,997.25	2,299,205.59
Communities	240,776.05	230,777.94
Total	**8,967,950.53**	**10,388,705.09**

4.9. Contingent liabilities pursuant to section 199 UGB

There were no contingent liabilities from guarantees at the balance sheet date (prior year: € 0.00). With regard to contingent liabilities in amount of default risk of the factoring, reference is made to item 4.4. Receivables and other assets.

4.10. Obligations from the use of tangible assets not recognised in the balance sheet

in €	In the following financial year	In the next five financial years
Obligations from sale and lease back transactions	3,065,725.19	15,358,077.35
Prior year:	2,868,975.73	14,434,403.69
Obligations from rental agreements	1,104,522.84	3,030,776.70
Prior year:	1,090,535.88	3,847,693.02
Total	**4,170,248.03**	**18,388,854.05**
Prior year:	**3,959,511.41**	**18,282,096.74**

4.11. Other financial obligations

At the balance sheet date, orders in the amount of € 55,340,632.87 (prior year: € 212,297,577.10) were outstanding for replacement and expansion investments.

4.12. Derivative financial instruments

Derivative financial instruments are used to hedge against possible interest rate fluctuations. Hedged items are payments related to promissory notes and loans with variable interest rates.

in €	Nominal value 31 Mar 2024	Fair value 31 Mar 2024	Book value 31 Mar 2024
Interest related products:			
Swaps	**493,000,000.00**	**5,052,435.09**	**-3,047,525.67**

in €	Nominal value 31 Mar 2023	Fair value 31 Mar 2023	Book value 31 Mar 2023
Interest related products			
Swaps	**408,000,000.00**	**15,919,972.23**	**0.00**

The fair value as of 31 March 2024 include positive fair values of € 8,099,960.76 and negative fair values of € 3,047,525.67. The fair values as of 31 March 2023 includes exclusively positive fair values.

The remaining terms of derivative financial instruments outstanding at the balance sheet date, are as follows:

in months	31 March 2024	31 March 2023
Interest related products:		
Swaps	**12 - 52**	**1 – 36**

5. COMMENTS ON INCOME STATEMENT ITEMS

5.1. Revenue

in €	2023/24	2022/23
Abroad	501,353,038.42	454,423,358.76
Domestic	48,938,683.18	43,915,290.65
Total	**550,291,721.60**	**498,338,649.41**

5.2. Other operating income

in €	2023/24	2022/23
Income from taxfree bonuses	11,951,667.14	6,005,516.00
Income from exchange rate differences	6,420,297.44	11,615,095.58
Income from non-taxable grants R&D	809,605.96	903,417.82
Energy tax reimbursements	704,369.41	291,362.67
Grant IPCEI	0.00	11,167,536.00
COVID-19 refunds|	0.00	545,478.60
Miscellaneous other operating income	1,015,333.15	1,501,296.87
Total	**20,901,273.10**	**32,029,712.54**

5.3. Personnel expenes

a) Expenses for severance payments and contribution to staff provision funds

in €	2023/24	2022/23
Members of the Management Board and executive employees	116,814.63	316,881.61
Other employees	2,728,335.02	4,643,836.59
Total	**2,845,149.65**	**4,960,718.20**

Expenses for severance payments and contributions to staff provision funds include severance payments in the amount of € 1.500.181,55 (prior year: € 3,747,281.44).

b) Expenses for pensions

in €	2023/24	2022/23
Members of the Management Board and executive employees	262,657.11	199,918.74
Other employees	1,537,283.05	1,346,226.82
Total	**1,799,940.16**	**1,546,145.56**

5.4. Other operating expenses

in €	2023/24	2022/23
Third party services	26,731,442.35	30,579,393.56
Rental and leasing expenses	19,756,193.21	15,013,169.83
Legal and consulting fees	11,323,486.89	16,830,577.25
Maintenance of factory building and equipment	6,124,594.59	6,163,368.50
Expenses from exchange rate differences	5,731,864.06	10,384,660.98
Sales Support Service	2,991,347.72	2,863,520.75
Travel expenses	2,457,978.28	2,856,086.98
Cost of cleaning of buildings	2,394,473.31	1,575,789.10
Outward freight customers	1,949,767.24	2,577,176.24
Insurance expenses	1,944,793.15	1,589,963.34
Marketing costs and commissions for sales agents	1,208,974.35	2,185,146.66
Training and development	933,392.37	2,321,851.08
Bad debt losses	490,216.31	534,822.06
Expenses for company car	481,220.61	460,997.62
Miscellaneous other operating expenses	4,669,323.25	4,920,976.85
Total other operating expenses	**89,189,067.69**	**100,857,500.80**

5.5. Expenses for the auditor

The expenses for the auditor are disclosed in the consolidated financial statements of AT&S Austria Technologie & Systemtechnik AG, 8700 Leoben-Hinterberg.

6. ADDITIONAL DISCLOSURES PURSUANT TO THE AUSTRIAN COMMERCIAL CODE (UGB)

6.1. Board members, employees

In the financial year the **average number of staff** was:

	2023/24	2022/23
Waged workers	673	733
Salaried employees	1,096	1,023
Total	**1,769**	**1,756**

MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD:

In the financial year, the following persons served as **members of the Management Board**:

- Andreas Gerstenmayer (Chairman)
- Peter Schneider (Deputy Chairman)
- Peter Griesnig (since 01.04.2023)
- Petra Preining
- Ingolf Schröder

In the financial year, the following persons were appointed as **members of the Supervisory Board**:

- Hannes Androsch (Chairman)
- Regina Prehofer (First deputy chairwoman)
- Georg Riedl (Second deputy chairman)
- Hermann Eul
- Georg Hansis
- Robert Lasshofer
- Lars Reger
- Karin Schaupp
- Gertrude Tumpel-Gugerell

Delegated by the **Works Council**:

- Bianca Ernhardt
- Wolfgang Fleck
- Christa Köberl (since 20.12.2023)
- Günter Pint
- Siegfried Trauch
- Günther Wölfler (till 19.12.2023)

TOTAL REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD:

€ in thousands	2023/24 Fixed	2023/24 Variable	2023/24 Total	2022/23 Fixed	2022/23 Variable	2022/23 Total
Fixed and expected variable payments						
Andreas Gerstenmayer	647	838	1,485	647	2,366	3,013
Peter Schneider	449	176	625	449	176	625
Peter Griehsnig[1]	449	176	625	–	–	–
Petra Preining	449	176	625	225	216	441
Ingolf Schröder	449	176	625	449	176	625
Total Management Board members	**2,443**	**1,542**	**3,985**	**1,770**	**2,934**	**4,704**
Simone Faath	–	8	8	5	100	105
Heinz Moitzi	–	–	–	–	1,166	1,166
Monika Stoisser-Göhring	–	–	–	–	1,016	1,016
Total former Management Board members	**–**	**8**	**8**	**5**	**2,282**	**2,287**
Total fixed and expected variable payments	**2,443**	**1,550**	**3,993**	**1,775**	**5,216**	**6,991**
Reconciliation to the expense recognized in the financial statements	–	(569)	(569)	–	569	569
Total	**2,443**	**981**	**3,424**	**1,775**	**5,785**	**7,560**

[1] The remuneration in the 2023/24 financial year is shown from the first appointment to the Executive Board on April 1, 2023. Exercises of stock appreciation rights that were allocated before the appointment to the Executive Board are not included.

Based on provisionally calculation, a provision of € 5,785 thousand for variable remuneration is recognised. The effective payment for variable remuneration of the Management Board will amount to € 5,216 thousand.

The variable portion of the remuneration of Andreas Gerstenmayer includes compensation from stock appreciation rights in the amount of € 519 thousand (prior year: € 1,725 thousand). In the prior year, the variable portion of the remuneration of Andreas Gerstenmayer also contains a special payment of € 321 thousand for temporary, longer-term taking over CFO activities.

The item "Total former members of the management board" includes the severance payment in connection with the termination of the contract of Simone Faath. In the prior year, the variable portion of the remuneration of Heinz Moitzi includes compensation from stock appreciation rights in the amount of € 1,166 thousand. Similarly, in the prior period, the variable portion of the remuneration of Monika Stoisser-Göhring includes compensation from stock appreciation rights in the amount of € 1,016 thousand.

In addition to the above-mentioned remuneration, € 64 thousand (prior year: € 64 thousand) for Andreas Gerstenmayer, € 44 thousand (prior year: € 44 thousand) for Peter Schneider, € 42 thousand (prior year: € 0 thousand) for Peter Griehsnig, € 44 thousand (prior year: € 44 thousand) for Ingolf Schröder, € 44 thousand (prior year: € 20 thousand) for Petra Preining were paid into the pension fund. For the former member of the Management Board Simone Faath € 45 thousand were paid into the pension fund in the prior year.

NUMBER OF STOCK APPRECIATION RIGHTS AS OF THE BALANCE SHEET DATE OF THE MEMBERS OF THE MANAGEMENT BOARD:

In units.	31 Mar 2024	31 Mar 2023
Andreas Gerstenmayer	150,000	150,000
Peter Schneider	90,000	60,000
Peter Griehsnig[1]	50,000	30,000
Petra Preining	60,000	30,000
Ingolf Schröder	90,000	60,000
Total members of the management board	**440,000**	**330,000**
Heinz Moitzi	5,000	35,000
Total former members of the management board	**5,000**	**35,000**
Total	**445,000**	**365,000**

[1] The allocations were made prior to appointment to the Management Board.

As of March 31, 2024, the exercise price of the shares for the Management Board of April 1, 2021 in the amount of € 22.92 (125,000 shares), of April 1, 2022 in the amount of € 42.81 (150,000 shares) and of April 1, 2023 in the amount of € 32.30 (170,000 shares) is above or below the daily share price as of the balance sheet date (€ 19.35).

With regard to members of the Supervisory Board, remuneration in the amount of € 765,570.00 (prior year: € 937,430.00) was recognised as expenses.

As of the Balance Sheet date, there were no loans or advances to members of the Management Board or the Supervisory Board.

6.2. Significant events after the reporting period

On 10 May 2024 the Management Board of AT&S decided not to carry out a capital increase for the time being. Discussions with potential investors have been concluded. The company now intends to sell the production facility in Ansan, Korea, which mainly serves the medical market. In order to further sharpen the Group's strategic profile, AT&S has decided to consider the sale of the medical division, subject to favourable economic conditions and - where applicable - relevant approvals, and has initiated a staggered competitive sale process. The medical division is located in Ansan, South Korea and is owned by the 100% subsidiary AT&S Korea Co., Ltd. In the financial year 2023/24, AT & S Austria Technologie & Systemtechnik Aktiengesellschaft recognised an investment of € 3,714 thousand (previous year: € 3,714 thousand), trade receivables of € 33 thousand (previous year: € 129 thousand) and trade payables of € 9,289 thousand (previous year: € 8,244 thousand). Income from investments in 2023/24 totalled €15,505 thousand (previous year: €15,068 thousand). Based on the expressions of interest from potential investors, AT&S will decide on further steps after completion of due diligence.

The Management Board of AT&S has also decided to continue to implement and focus the efficiency programmes already under way in order to counter the current price pressure in the market. In addition to comprehensive cost-cutting measures, there will be a reduction of up to 1,000 employees at existing sites throughout the Group.

Leoben-Hinterberg, 13 May 2024

The Management Board:

Andreas Gerstenmayer m.p.

Peter Schneider m.p. Peter Griehsnig m.p. Petra Preining m.p. Ingolf Schröder m.p.

MANAGEMENT REPORT 2023/24

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MANGEMENT REPORT 2023/24

1. MARKET AND INDUSTRY ENVIRONMENT

1.1. General economic environment

In 2023, the economy largely returned to pre-COVID-19 conditions. Supply chains and demand stabilized, while central banks tightened the monetary reins to curb inflation.

In most regions, headline inflation slowed from the peaks experienced in 2022. However, core inflation, which excludes volatile prices for food and energy, proved stickier. Consumer demand remained muted in most major economies, as inflation and high interest rates reduced purchasing power. Global output, measured by Gross Domestic Product (GDP), increased by an estimated 3.1% in 2023, with advanced economies experiencing slower growth than emerging market and developing economies. GDP grew by 0.5% in the euro area, by 5.2% in China, and by 2.5% in the United States. Projections for 2024 predict a global GDP growth of 3.1%.[21]

Conflicts and geopolitics continued to play a significant role on the international stage. One of the most discussed topics was the continued effort of the United States, supported by European and Asian partners, to restrict Chinese access to advanced technologies via export restrictions and bans targeting an increasing number of Chinese companies. The ongoing war in eastern Ukraine and, since Autumn 2023, and the ongoing bombardment of the Gaza strip by the Israeli army following an attack by Hamas on 7 October 2023 have also contributed to the increase of tensions in the Middle East as well as internationally.

The war in Gaza has already spawned new tensions in the Red Sea, where Yemeni Houthis have begun targeting commercial ships in retaliation for Israel's actions in Gaza. The attacks have spurred major shipping companies to re-route shipping around Africa; the impact on logistics was mostly felt on Europe-Asia trade routes, and has so far amounted to longer delivery times and increased costs.

Climate has also contributed to headwinds for economic recovery; the Panama Canal has experienced significant disruptions due to low water levels; reduced capacity at the canal is expected to continue to impact the trade route going forward.

1.2. Industry environment

Semiconductor

During most of 2023 the semiconductor industry followed normal historical seasonal patterns, gradually recovering, especially during the second half of the year, from the downturn started in late 2022. The challenging macroeconomic conditions present in advanced economies, including high inflation, high interest rates, and low consumer demand, significantly impacted the semiconductor industry: global semiconductor industry sales totaled US$526.8 billion in 2023, a decrease of 8.2% compared to the 2022 total of US$574.1 billion.[22]

A significant portion of the sales in 2023 was fueled by sell-through of inventories, which remained high throughout the year for most applications. Industrial and automotive, which initially showed resilient growth carrying over from 2022, also slowed down in the second half due to the excessive inventory build-up and weaker demand.

Client computing was the segment most impacted by low demand. Spending on infrastructure, particularly in the area of data centers, remained more resilient, albeit softer than in 2021 and 2022.

The build-up of the infrastructure required to support Artificial Intelligence (AI)-related services caused a significant shift in spending towards high average selling price (ASP) Graphics Processing Units (GPUs) and accelerator cards, creating a prominent pocket of growth. This trend mostly benefitted NVIDIA, but AMD was also able to further expand its market share. This shift in spending partly reduced expenditures for traditional servers. The growth of AI-related hardware is expected to continue throughout 2024 and in the mid-term.

Low demand and inventory effects hit back-end manufacturers such as substrate suppliers particularly hard, a fact reflected in the continued downgrading of estimates of the Advanced Substrate (including flip-chip, system-in-package and embedded die) market for 2023. For example,

[21] IMF, "World Economic Outlook Update", January 2024

[22] Semiconductor Industry Association, Press release "Global Semiconductor Sales Decrease 8.2% in 2023; Market Rebounds Late in Year", February 2024

the estimate for the total Flip-Chip Ball Grid Array (FC-BGA) market in 2023 was reduced by 23% to US$6.8 billion from March to November 2023.[23] Forecasts for the FC-BGA market were also corrected to the downside: the FC-BGA market is now expected to amount to US$10.6 billion in 2028 (previously US$12 billion in 2027).[24]

Looking ahead, 2024 is expected to be a transition year, with the first half still affected by low demand, inventory corrections, and tight monetary policies; tailwinds are not expected before the second half of the calendar year. The ongoing geopolitical tensions provide additional risks that could lead to further headwinds for global growth. Divergent policies confronting these issues are poised to maintain high uncertainty and reduce visibility throughout 2024.

Consumer, computing, communication

The weakness in demand for the Consumer, Computing, and Communication (3C) segments carried over from 2022 to 2023, impacting shipment volumes of most consumer electronics devices such as smartphones, PCs, tablets, and some wearable products. Major challenges include inventory digestion across the entire supply chain, weak demand from major market such as China, and other macroeconomic and geopolitical headwinds. As a result, many major consumer applications recorded a year-over-year decline from negative impacts on both the supply and demand sides.

Global smartphone shipments declined 3.2% to 1.17 billion units in 2023, with the Chinese market declining 5.0%[25],[26]. While overall shipments declined, 5G smartphone still recorded a 10% rise.[27] The fourth calendar quarter saw 8.5% growth compared to the corresponding period last year and 326.1 million shipments, indicating potential stabilisation or even the beginning of a slow recovery in 2024.[25]

In 2022, PC shipment volume had plummeted 16.5%, and there was an additional 13.9% contraction in 2023. This downturn continues to reflect the aftermath of the significant surge in PC purchases driven by the COVID-19 pandemic.[28] However, the total volume of 260 million units were comparable to pre-pandemic PC volume shipments of 268 million units (5-year average, 2015-2019).[29]

The decline in end device sales coupled with increased price pressure is reflected in the PCB sales figures for 2023, which showed a decrease of 11.5% to US$18.1 billion for Communication (including smartphones), fell 16.8% to US$15.3 billion for Computing, and fell 14.4% to US$7.2 billion for Consumer. The latest mid-term outlook for 2029 is US$20.1 billion, US$23.5 billion, and US$9.1 billion for Computing, Communications, and Consumer respectively.[24]

Looking at 2024, slow demand recovery and continued destocking are expected to continue to impact the 3C market. Recovery is expected to center around AI-related applications such as AI servers (storage, accelerator), High-Performance Computing (HPC), and networking.

Consumer applications with AI enhanced features are also expected to benefit from the increasing AI trend – in addition to the 2.8% increase in smartphone shipment in 2024, 170 million next-gen AI smartphones are forecasted to ship in 2024, representing almost 15% of the total smartphone market.[30] Shipments of AI PCs – personal computers with specific system-on-a-chip (SoC) capabilities designed to run generative AI tasks locally – is expected to reach 50 million units in 2024.[31]

Automotive

Global automotive production reached 90.6 million vehicles in 2023, a 10% increase compared to the 82 million of 2022, thanks to fading supply side constraints and a better than expected economic and demand backdrop underpinned by a robust global Light Vehicle (LV) performance through 2023. While the near-term LV outlook has been revised upward, the mid-term estimate (2026-2030) has been cut by 1.2 million units annually. The bulk of this forecast adjustment reflects a more conservative view on the development of the market in China.[32]

23 Prismark Partners, “Application Forecasts”, November 2023
24 Prismark Partners, “Application Forecasts”, February 2024; The 2023-2028 CAGR was used to extrapolate the 2028 figures provided by the source to 2029
25 IDC, Press release „Apple Grabs the Top Spot in the Smartphone Market in 2023 along with Record High Market Share Despite the Overall Market Dropping 3.2%, According to IDC Tracker“, January 2024
26 IDC, Press release “Apple Captures the Top Spot in the China Smartphone Market in 2023 for the First Time Ever, Despite the Overall Market Dropping 5.0%, According to IDC Tracker“, January 2024
27 IDC, “Quarterly Mobile Phone Tracker”, February 2024
28 IDC, Press release “Worldwide PC Shipments Declined 2.7% Year Over Year in the Fourth Quarter of 2023 but Visions of Growth Lie Ahead, According to IDC”, January 2024
29 IDC, “Quarterly Personal Computing Device Tracker”, February 2024
30 IDC, Press release “Worldwide Smartphone Recovery Is Happening as Shipments Are Forecast to Grow 2.8% in 2024, According to IDC”, February 2024
31 IDC, Press release “IDC Forecasts Artificial Intelligence PCs to Account for Nearly 60% of All PC Shipments by 2027”, February 2024
32 LMC Automotive, “Global Light Vehicle Forecast”, January 2024

The Automotive PCB market decreased by 2.7% in 2023 to US$8.7 billion, due to a combination of price pressure and high inventory, and is expected to reach US$11.6 billion in 2029.[24]

The slowdown in global growth for Battery Electric Vehicle (BEV) sales persisted in the final months of 2023, despite a record number of BEVs delivered in November, which resulted in yearly sales of 10 million BEV cars in 2023, up 30%.[33] Growth in electrified vehicles including hybrids (up 35%) outpaced that of BEVs, marking an unusual shift, as BEVs have usually been the fastest-growing vehicle type in recent years.

Semiconductor shortages faded in 2023, but concerns over the supply of lithium in the mid–term could undermine the pace of the transition to BEVs. A high-price policy of some Original Equipment Manufacturers (OEMs) could persist, but the reduction in the number of produced models could ease the situation thanks to a concurrent optimization of vehicle inventory.

The automotive industry continues to be propelled forward by the adoption of Electrification and the advancement of Advanced Driver Assistance Systems (ADAS) and Autonomous Driving (AD). A significant portion of this growth is attributed to China. The market for Battery Electric Vehicles in China accounted for 50% of global BEV growth. The share of Chinese BEVs in Europe grew from 5% in 2022 to almost 9% in 2023, and has put European OEMs under an increasing amount of competition. The BEV market in the United States grew by 47% in 2023, following a period where it seemed to lag behind developments in China and much of Europe.[32] This resurgence was driven by investments into new models by original equipment manufacturers, along with substantial government incentives and an expanding charging infrastructure.

Medical

After navigating the complex COVID-19 pandemic for about three years, medical device companies experienced a return to normalcy in 2023. Challenges such as low procedure volumes, hospital staffing shortages, and supply chain issues either subsided or were managed through strategic measures. Economic pressures eased, allowing some companies in the medical technology sector to achieve more typical growth rates.

The PCB market for medical declined 7.3% to US$1.4 billion in 2023, as a result of strong inventory corrections, but it is expected to grow 3.1% in 2024, and at a 2023-2029 CAGR of 3.7% to reach US$1.7 billion.[24] Industry trends in the upcoming year might be significantly influenced by the evolution of the current challenging macroeconomic conditions, including high interest rates and inflation.

In 2023, the US Food and Drug Administration (FDA) set a new record by approving the highest number of new medical technologies in a single year. This result was attributed to various factors, including a surge in approvals for AI and machine-learning-enabled medtech products, advancements in miniaturization, enhanced visualization driving approvals in cardiology and urology, and steady growth in neuromodulation and robotics. Additionally, waiting times for FDA reviews decreased by nearly 15% from 2020 to 2022. It is expected that the pace of innovation in 2024 will exceed 2020-2022 levels, with devices for cardiology, digital health, and neuromodulation continuing to gain momentum.[34]

Also on the regulatory side, the boundary between the consumer and medical device markets has been getting progressively blurrier. For example, since 2022 consumer device companies (such as Sony, HP, Bose) have been granted a growing number of applications for Over-The-Counter (OTC) hearing aids by the FDA, which allowed them to put hearing aid players in the US market (such as GN, Nuheara, Sonova) increasingly under pressure. The trend is also visible for Continuous Glucose Monitoring (CGM) devices, where large CGM players aim to enlarge their customer base by selling CGMs without prescription to consumers not yet subject to medical treatment, potentially creating a new market.[35]

Industrial & infrastructure

The Internet of Things (IoT) and data-driven networks, powered by an array of devices and sensors, have become relevant tools for optimizing operations and processes. Mainly since the COVID-19 pandemic, organizations have increasingly relied on IoT data to enhance the flexibility and resilience of their operations. As investment in IoT

[33] Bank of America Global Research, "EV Tracker", February 2024
[34] McKinsey, "What to expect from medtech in 2024", February 2024
[35] MedTech Dive, "Why medtech firms are putting diabetes tech in consumer devices", August 2023

ecosystems surges, notably led by manufacturing sectors, the emphasis remains on the exponential growth of connected devices and the vast volume of data they generate across diverse categories. IoT investment is set to exceed US$1 trillion by 2026, with a growth rate of 10.4% from 2022 to 2027. It is estimated a total of 56.9 billion connected devices were installed worldwide in 2023.[36]

An enabler of these connected devices is 5G technology. As the 5G capital expenditure cycle enters its fourth year, the pace of investment in mobile infrastructure is slowing down. Major vendors are witnessing significant drops in year-over-year spending on Radio Access Network (RAN) equipment, notably in regions like the United States and China. Although low-band 5G deployments are reaching maturity, there is still considerable room for investment in mid-band (e.g., 2.5GHz, 3–4GHz) and high-band (e.g., 24GHz, 28GHz, and 39GHz) builds. Telecom operators, however, have been investing in the mid-band and in 5G Standalone (SA) with caution, due to high interest rates and an overall uncertain macroeconomic outlook. In the mid-term, the on-going 5G Advanced releases from 3GPP that started in 2023 and the steady increase in data traffic are expected to eventually bring about the upgrade to 5G SA.[37]

6G technology is already being actively developed by big industry players and is on the agenda of regulators and standardization institutions, with commercialization predicted by 2030. 6G is expected to be the “AI native network”, supported by the use of recombinant technologies, such as cloud-native network functions, machine learning, AI, and network slicing.[38] However, given the low penetration rate of 5G mmWave so far – less than 10%, estimated to be less than 30% by 2028 – it is currently not clear whether the market will demand upper mmWave/THz at 6G in high volume or only for specific use cases.

The consolidated PCB market for Communication, including infrastructure and end devices declined by 11.5% to US$18.1 billion in 2023, and it is expected to grow by 3.5% in 2024, and at a 4.6% CAGR between 2023-2029 to US$23.5 billion. Despite the positive perspective for connected devices in the medium term, it is estimated that the PCB market for industrial electronics declined 13.6% to US$2.8 billion in 2023, due to high inventories and weaker than expected manufacturing in China. The PCB market for the Industrial electronics segment is expected to grow by 3.7% in 2024, and at a 4.4% CAGR in the 2023-2029 timeframe to US$3.6 billion.[24]

1.3. Industry and technology trends

Impact of AI on substrate demand

The rush to provide AI-powered services caused a surge in spending for the infrastructure needed to power them, that is servers with GPUs or accelerator cards. This surge has caused a delay in refresh cycles of traditional servers, as most capital expenditures were redirected towards high ASP AI-hardware.

Meanwhile, supply of the GPUs has largely been constrained by the limited capacity for one of the steps required in the manufacturing of those products, namely the assembly of the silicon interposer. This bottleneck has limited the growth experienced by back-end manufacturers, but should be partially resolved as additional capacity comes on-line in 2024/25.

From a more technical perspective, AI-systems have so far presented limited opportunities for substrate-makers beyond the additional volumes generated by the high-demand for these systems. GPUs and accelerator cards currently rely on the presence of a large quantity of high-speed memory on the package. The need for high-speed interconnects between memory and logic dies is mostly addressed with silicon interposers, which allows designers to avoid increasing the complexity of the underlying organic substrate.

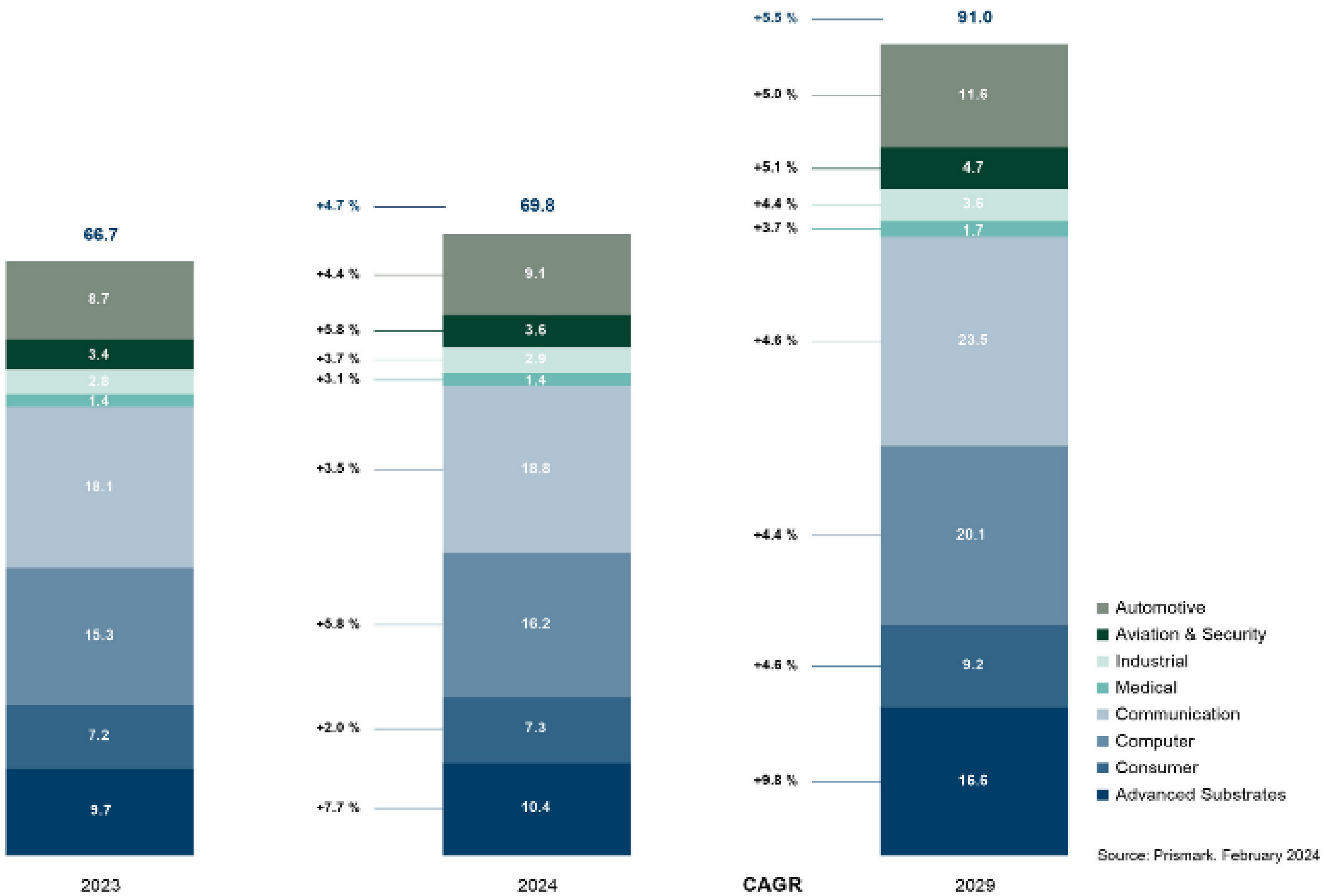
[36] IDC Global DataSphere, “IoT Device Installed Base and Data Generated Forecast”, September 2023

[37] IDC, “5G Network Infrastructure Forecast, 2023–2027”, December 2023

[38] IDC, Brooklyn 6G Summit 2023, November 2023

On the other hand, the increasing package size and the rising power draw of GPUs and accelerators pose increasing technical challenges for the design of packages, potentially creating opportunities for solutions that address aspects such as thermal management and warpage as well as voltage drop and other signal integrity issues at the substrate level.

SUBSTRATES AND PCB MARKET
US$ in billions



2. BUSINESS DEVELOPMENT

2.1. Financial performance

In the past financial year 2023/24 AT&S AG's revenues increased by € 52.0 million or 10.4 % to € 550.3 million. The increase in revenues resulted mainly from higher sales of merchandise, while sales of own manufactured products decreased slightly in the past fiscal year compared to the same period of the prior year.

EBIT margin decreased by 2.5 percentage points to -13.2% in the past fiscal year (prior year: -10.7%). The main reasons for the reduction in the EBIT margin were, on the one hand, lower other operating income, considerably higher material and personal costs as well as high depreciation expenses in comparison to the prior year. The operating expenses for the period had reduced to € 89.8 million (prior year: € 101.4 million) in comparison to the prior period. This decrease was mainly due to lower legal and consulting fees, third party services and reduced exchange rate effects. However, rental fees have seen an increase.

The average number of employees increased by 13 FTE year-on-year to 1,769.

The financial result amounted to € 170.5 million in the past fiscal year (prior year: € 250.6 million). The main reason for the decrease was due to lower investment income of € 117.2 million (prior year: € 214.0 million). Income from loans of financial assets increased by € 52.9 million to € 144.2 million (previous year: € 91.3 million). The expenses from financial investments recorded a reduction of € 15.2 million, from € 16.5 to € 1.3 million. Contrary to this, the interest expenditure saw an increase of € 44.5 million and similar expenses rose by € 7.3 million from a total of € 60.1 to € 111.9 million.

Income taxes are impacted by the capitalisation of deferred taxes, resulting in a deferred tax income of € 7.9 million (prior year: income of € 20.0 million). Tax expenses have increased in the reporting period to € 3.2 million (prior year: € 1.6 million).

Due to the effects in the operating and financial results and the tax result explained above, the net income for the current fiscal year amounted to € 102.7 million (prior year: € 215.7 million).

2.2. Financial position

The carrying amount of property, plant and equipment increased from € 172.4 million to € 643.2 million due to investments in the research centre and production plant in Leoben, together with additional and expansion investments. The carrying amount of intangible assets increased to a lesser extent from € 4.5 million to € 5.5 million.

Shares in affiliated companies increased compared to the prior year due to a capital increase in AT & S Austria Technologie & Systemtechnik (Malaysia) Sdn. Bhd., Malaysia from € 320.4 million to € 400.4 million. Loans to affiliated companies increased from € 1,927.4 million to € 2,344.1 million due to the increase in shareholder loans.

Under current assets, inventories decreased marginally from € 45.5 million to € 42.8 million. Receivables and other assets increased from € 124.3 million to € 133.8 million. Receivables from affiliated companies increased by € 14.2 million to € 21.6 million. Cash on hand and bank balances decreased from € 505.6 million to € 446.7 million.

Deferred tax assets increased from € 38.0 million to € 46.0 million, mainly due to the recognition of tax loss carryforwards based on sufficient future realisable taxable income.

Equity at the balance sheet date increased from € 466.3 million to € 553.5 million. The change resulted on the one hand from the net income of € 102.7 million generated in the reporting fiscal year (prior year: € 215.7 million) and on the other hand from the dividend distribution of € 15.5 million (prior year: € 35.0 million) resolved in the course of the Annual General Meeting. The equity ratio of 13.6% at the balance sheet date was below the prior year's level of 14.6% due to the increase in total assets.

In the financial year 2023/24, the net debt of AT&S increased from € 1,849.6 million to currently € 2,603.1 million. Net debt is calculated from the bonds issued, liabilities to banks, promissory note loans, financing partners and finance leasing less cash on hand and balances with banks, receivables from banks and other securities and shares in current assets. The net gearing, calculated as the ratio of net debt to equity, increased from 396.7% in the prior year to 470.3%.

2.3. Cash flow statement

The Cash flow statement subtotals were calculated in accordance with expert opinion AFRAC 36 “Geldflussrechnung UGB” (June 2020).

The net cash flow from operating activities showed an decrease in the financial year 2023/24. The lower net cash flow from operating activities of € 54.9 million (prior year: € 76.8 million) is mainly attributable to the increase in trade payables.

As part of the investing activities of AT&S, a total of € 221.2 million was invested in intangible assets and property, plant and equipment in the financial year 2023/24 (prior year: € 152.9 million). In addition to the payments described above, the further increase in shareholder loans and offsetting effects relating to cash inflows from interest and income from investments in the amount of € 281.6 million (previous year: € 325.9 million) essentially led to a net cash outflow from investing activities of € 403.2 million (previous year: € 191.9 million).

Payments from financing partners and borrowings, less interest paid, repayment of promissory note loans and distribution of the annual dividend, resulted in an inflow of cash from financing activities of € 289.4 million (prior year: € 194.7 million).

€ in millions	2023/24	2022/23
Net cash flow from operating activities	54.9	76.8
Net cash flow from investing activities	-403.2	-191.9
Net cash flow from financing activities	289.4	194.7

3. OTHER STATUTORY INFORMATION

3.1. Plants and branch offices

The AT&S Group currently operates six production plants, which specialise in different technologies.

Leoben and Fehring The Austrian plants primarily supply the European market. In Europe, special applications and customer proximity are particularly important. Based on production and technological diversity, flexibility in manufacturing, and the broad customer spectrum, the plant in Leoben continues to pursue the path of niche and prototype production it embarked on in recent years. Among other things, production using embedding technology takes place in Leoben. In addition, investments were made in the expansion of the IC core line to provide the required capacities for precursor material to supply the production facilities in Chongqing, Kulim, and Leoben. Now the Company is investing in a new R&D centre for substrate and packaging solutions for the global semiconductor industry at the location in Leoben. As part of the current diversification strategy, new customers were won for the IC substrates business segment. As a result of this development, the R&D centre will be expanded to include series production. In April 2024, the installation of the equipment for IC substrates began, and the start of series production is expected for 2025. The Fehring plant serves the Electronics Solutions segment, in particular the 3S areas (smart infrastructure, smart mobility, and smart manufacturing), as well as the medical device segment.

Shanghai The Shanghai plant manufactures HDI (High-Density Interconnection) and mSAP (modified semi-additive process) printed circuit boards, in particular for customers in the areas of 3C (computer, communication and consumer electronics) and 3S (smart infrastructure, smart mobility and smart manufacturing). The plant has established itself as a leading supplier of the latest technology generation and its broad technology spectrum is very well received by customers.

Chongqing The location in Chongqing currently comprises three operating plants. The plants Chongqing I and Chongqing III are designed for the production of IC substrates (integrated circuit substrates). At Chongqing III, which was newly built in 2021, the first of four production lines commenced production of large series in October 2021. The second line was commissioned in 2022, while a large part of the third line was approved for production in 2023. The installation work for the fourth line will be resumed depending on the development of the semiconductor market. High-end mSAP printed circuit boards and printed circuit boards for modules are produced for mobile applications at the Chongqing II plant. The production capacity for modules was further expanded to serve the growing customer demand in the high-end segment. The full expansion of the plant is scheduled to be completed in the coming financial year.

Kulim Construction of the plant for IC substrates, which commenced in October 2021, is in progress. The construction work is proceeding as scheduled; however, part of the investment project will be executed later than planned. Installation of the equipment started at one of the plants and the first products have been delivered for qualification by the customer. The site was officially opened in January 2024.

Ansan The very positive development of the site in Korea continued in the financial year 2023/24 in particular in the medical technology segment for European and American customers. Capacity utilisation was very good at this site during the financial year 2023/24.

Nanjangud The site continued to focus on exports and strengthened its position, particularly in the automotive market. The qualification for HDI products continued, and the strategy towards higher-quality technologies in the product mix was thus further pursued.

Hong Kong AT&S Asia Pacific, based in Hong Kong, is the holding company and the headquarters of Group-wide procurement. The proximity to the customers' CEMs and to suppliers is a locational advantage that is highly valued by business partners.

Sales support companies The sales support companies in America, Germany, Japan, Taiwan and Sweden continued to ensure good and close contact with customers in the financial year 2023/24.

3.2. Shareholder structure and disclosures on capital (disclosures pursuant to § 243a UGB)

Capital share structure and disclosure of shareholder rights

As of the reporting date of 31 March 2024, the Company's ordinary shares amount to € 42,735,000 and are made up of 38,850,000 no-par value shares with a notional value of € 1.10 per share. The voting right at the Annual General Meeting is exercised according to no-par value shares, with each no-par value share equalling one voting right. All shares are bearer shares.

Significant direct and indirect shareholdings in the Group parent company AT&S Austria Technologie & Systemtechnik Aktiengesellschaft, which amount to at least 10% at the reporting date, are presented below: *see table below.*

At the reporting date of 31 March 2024, roughly 64.3% of the shares were in free float. With the exception of the shareholdings stated below, no other shareholder held more than 10% of the voting rights in AT&S. No shares with special control rights exist. The exercise of the voting right by employees who hold shares in the Company is not subject to any limitations.

No special provisions exist on the appointment and dismissal of members of the Management Board and the Supervisory Board.

The contracts of all Management Board members include a "Change of Control" clause. Such a change of control exists if a shareholder of the Company has obtained control of the Company in accordance with Section 22 of the Austrian Takeover Act (ÜbG) by holding at least 30% of the voting rights (including the voting rights of third parties attributable to the shareholder pursuant to the Austrian Takeover Act), or the Company has been merged with a non-Group legal entity, unless the value of the other legal entity amounts to less than 50% of the value of the Company according to the agreed exchange ratio. In this case, the Management Board member is entitled to resign for good cause and terminate the Management Board contract at the end of each calendar month within a period of six months after the change of control takes legal effect, subject to a notice period of three months ("special termination right"). If the special termination right is exercised or the Management Board contract is terminated by mutual agreement within six months of the change of control, the Management Board member is entitled to the payment of their remuneration entitlements for the remaining term of this contract, however, for a maximum of three annual gross salaries. Other remuneration components shall not be included in the calculation of the amount of the severance payment and shall be excluded from it.

The Management Board was authorised at the 25th Annual General Meeting on 4 July 2019, until 3 July 2024, to increase the Company's ordinary shares, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 new, no-par value bearer shares, for contributions in cash or in kind, in one or several tranches, also by way of indirect subscription rights, after having been taken over by one or more credit institutions in accordance with Section 153 (6) of the Austrian Stock Corporation Act (AktG). The Management Board was authorised to determine, subject to the approval of the Supervisory Board, the detailed terms and conditions of issue (in particular the issue amount, subject of the contribution in kind, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the approved capital.

SIGNIFICANT DIRECT AND INDIRECT SHAREHOLDINGS

Shares/in %	Shares	% capital	% voting rights
Dörflinger-Privatstiftung: Vienna, Austria	7,043,133	18.13%	18.13%
Androsch Privatstiftung: Vienna, Austria	6,819,337	17.55%	17.55%

Furthermore, the Management Board was authorised at the 25th Ordinary General Meeting on 4 July 2019 to issue, subject to the approval of the Supervisory Board, one or several convertible bearer bonds at a total amount of up to € 150,000,000 until 3 July 2024, and to grant to bearers of convertible bonds conversion rights and/or subscription rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the convertible bond terms and conditions to be defined by the Management Board. In this regard, the Management Board was also authorised to fully or partially exclude shareholders' subscription rights. In this context, the Company's ordinary shares were conditionally increased by up to € 21,367,500 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with Section 159 (2) No. 1 of the Austrian Stock Corporation carried out if the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 4 July 2019 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. The Management Board was also authorised to determine, subject to approval of the Supervisory Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights). The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the issuance of shares from the conditional capital. The same applies in case the authorisation to issue convertible bonds is not exercised or the conditional capital is not used.

With regard to the approved capital and the conditional capital, the following definition of the amount in accordance with the resolutions passed at the 25th Ordinary General Meeting on 4 July 2019 is to be observed: the sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000 (limitation of authorised amount).

The Annual General Meeting also resolved to amend the Articles of Association in § 4 (Nominal capital) to reflect these changes.

Treasury shares

At the 29th Ordinary General Meeting of 6 July 2023, the Management Board was again authorised to purchase, within a period of 30 months from the adoption of the resolution, treasury shares to an extent of up to 10% of the nominal share capital for a minimum consideration per share being at the most 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share at the most 30% higher than the average, unweighted stock exchange closing price over the ten preceding trading days; such purchases may take place via the stock exchange, by means of a public offering or any other legally permitted way, and for any legally permitted purpose. The authorisation also includes the purchase of shares by subsidiaries of the Company (Section 66 of the Austrian Stock Corporation Act). The Management Board was also authorised to withdraw shares after repurchase as well as treasury shares already held by the Company without further resolution by the Annual General Meeting. The Supervisory Board was authorised to adopt amendments to the Articles of Association arising from the withdrawal of shares. The authorisations granted by the resolution of the 27th Ordinary General Meeting on 8 July 2021 on agenda item 10 were revoked.

Furthermore, the Management Board was authorised at the 25th Ordinary General Meeting on 4 July 2019 for a period of five years, i.e. up to and including 3 July 2024, subject to the approval of the Supervisory Board, to sell or use the repurchased treasury shares or treasury shares currently held by the Company other than via the stock exchange or by public offer in particular for the purposes of stock transfer programmes, convertible bonds or as a consideration for the acquisition of entities, investments or other assets or for any other legal purpose, and to exclude a general purchase opportunity for shareholders.

The Company held no treasury shares as of 31 March 2024

Free reserves

At the 27th Annual General Meeting of 8 July 2021, the Management Board was authorised to reallocate an amount of up to € 50,000,000 of the balance sheet profit carried forward to new account – after dividend distribution – to free reserves, subject to the approval of the Supervisory Board.

There are no off-balance sheet transactions between AT&S and its subsidiaries.

AT&S has neither granted any loans nor assumed any liabilities in favour of board members.

For further information, please refer to the notes to the consolidated financial statements, Note 22 “Share capital” as well as Note 15 “Financial liabilities”.

The Company’s Corporate Governance Report pursuant to Section 243b of the Austrian Commercial Code is available at **https://ats.net/en/company/corporate-governance/**.

3.3. Non-financial statement

In accordance with Section 243b (6) UGB (Austrian Commercial Code), the Company is exempt from the obligation to prepare a non-financial statement in the Management Report since a separate non-financial report has been drawn up. This non-financial report is included in the Annual Report 2023/24 as a separate chapter.

4. RESEARCH AND DEVELOPMENT

Structural development of technological opportunities

AT&S's research and development activities are focused on exploiting the opportunities arising from digitalisation and ecological optimisation (e.g. artificial intelligence) for AT&S. The electronics industry, in particular microelectronics, plays a central role in this context. It provides systems that enable digitalisation in the first place (e.g. data centres and computers with high-performance processors). In addition, the energy consumption of these devices can be reduced dramatically based on the efficient structure of the overall systems. Microelectronics also forms the basis for completely new solutions for more efficient energy use along the entire value chain (production, transportation, storage and usage). The ongoing projects in this context are summarised in our four key development areas.

High-performance computing: Services based on artificial intelligence (AI) and other developments in digitalisation are applied more and more frequently, thus finding their way into our everyday lives. This becomes possible through high-performance computers located in servers and data centres. To cope with massively growing data volumes, these high-performance computer systems are becoming ever more powerful and have to use less energy at the same time. AT&S develops solution concepts for IC substrates that specifically cater to those needs.

High-frequency electronics: As digitalisation progresses, the data volume to be transmitted will also increase significantly in the years to come. Electronic systems working at higher frequencies (e.g. communication modules for 5G and in the future 6G, radar systems for cars) will offer solutions in this regard. These will require new interconnect technology solutions. Based on development projects in this area AT&S ensures that the products transmit signals fast, precisely and with minimal losses.

Power and power efficiency: In view of the sustainability efforts, there is currently a strong trend in electrification towards carbon-neutral energy production, new energy source systems and electricity-based forms of propulsion. AT&S focuses its development activity on systems that enable optimum power supply with the lowest electrical losses from energy production to usage, and can therefore switch, control and transmit high loads.

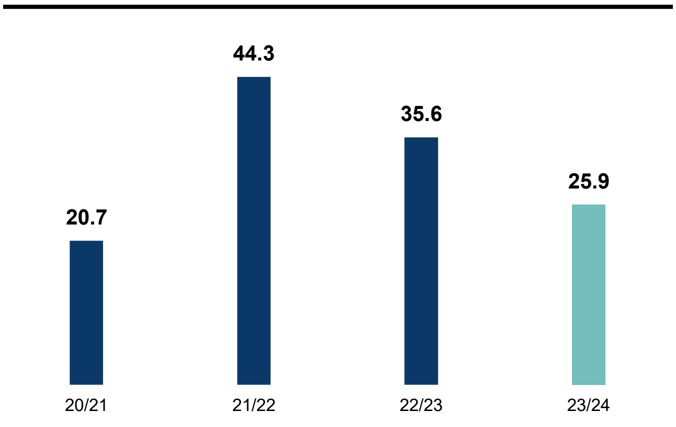
Virtual development and resource efficiency: Industrial production processes will change fundamentally in the decades to come. The processes will increasingly be organised using artificial intelligence (AI), and sustainability will also play a key role: the manufacturing of products must involve minimum consumption of natural resources, be highly reliable and enable the reuse of the materials employed. AT&S is working on new solutions that allow efficient and flexible manufacturing with minimum resource consumption (material, water, energy, etc.). To this end, large data volumes are being put to use via digitalisation to optimise and improve production processes as well as product properties and quality, and new solutions enabling the sparing use of resources in production are being developed.

Innovation rate still high

The Vitality Index measures the impact of the innovative strength of a company. It describes the revenue share AT&S has generated with innovative products launched on the market in the past three years. Generally speaking, the Vitality Index is higher in the years following the successful implementation of new technologies and lower in the development phase of new technologies (i.e. during the phase before their market launch). In the past financial year we see the effect of the launch of new, innovative products on the market. AT&S strives for a mean annual Vitality Index of at least 20%. In the past financial year, a Vitality Index of 25.9% was recorded.

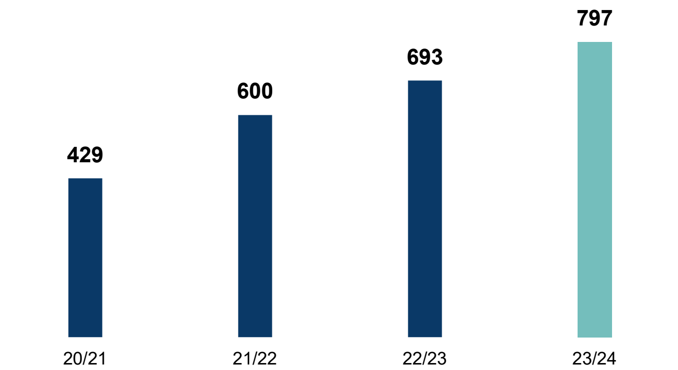
VITALITY INDEX

in %



The innovative strength and long-term competitiveness of a company are also reflected in the number and quality of its intellectual property rights: AT&S submitted a total of 62 new patent applications in the financial year 2023/24. At present, AT&S has 573 patent families, which resulted in 797 granted patents. The IP portfolio is further strengthened by externally acquired licences, in particular in the area of embedding technology.

NUMBER OF PATENTS GRANTED



R&D expenses: 10.0% of revenue

The costs of research and development projects totalled € 155.4 million in the financial year 2023/24. This corresponds to a research rate (i.e. ratio to revenue) of 10.0% compared with 10.2% in the previous year. Based on the continuously high research rate, AT&S is securing its position as a technology leader for the years to come.

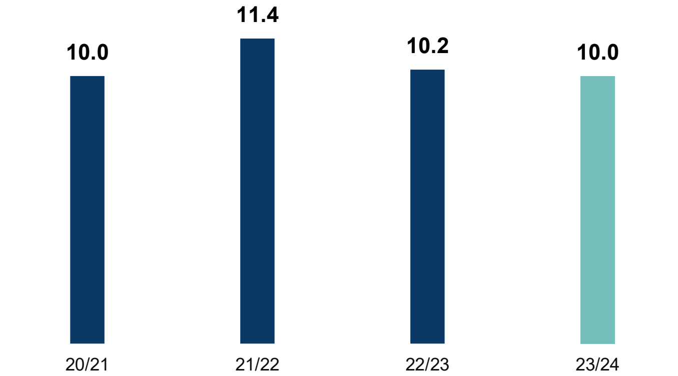
Two-stage development process

AT&S pursues a two-stage innovation process: The first stage is based on technology platforms. In these technology platforms, technical approaches are developed to solve the technical problems in the strategic applications of AT&S for the coming years. This stage corresponds to applied research and technology evaluation.

Subsequently, it is the task of the local technology development and implementation departments at the AT&S sites to continue the experimental development of processes and products and to integrate them into the existing production process.

RESEARCH RATE

in %/ratio to revenue



These development activities are accompanied by developments in the virtual world and strong collaboration with our customers, suppliers, and research institutions.

Key development projects

The key development areas for “High-performance computing”, “High-frequency electronics” and “Power and power efficiency” were further expanded. In these platforms, solution concepts that will support the challenges of electronic systems and find optimal solutions by the end of the decade are developed.

For example, new assembly and interconnect concepts are being developed that enable connecting individual components of computers chips with a high signal rate, and, using a variety of different materials (e.g. glass), giving the ever larger IC substrates the necessary reliability and form stability, and offering concepts for the energy-efficient power supply of high-performance computer modules, low-loss circuit and cooling concepts for electromobility and energy supply.

In the future, these developments will be strongly supported and accelerated by the R&D centre at the AT&S headquarters in Leoben, which is currently being established. It is a development centre for IC substrates and other technologies in the field of advanced electronic packaging. An R&D,

prototype and series production line, which globally sets a new technological standard in this area, constitutes the heart of the centre. This measure brings a technology segment to Europe which is only available in Asia today, thus making a substantial contribution to technological supply security. Coupled with the investments in research and development at the headquarters in Leoben in the areas of “Substrate – Core” and “Packaging Technologies” over the past years, this new centre will become a hotspot in electronics development and will be a guarantor of leading-edge solutions made by AT&S.

5. OPPORTUNITIES AND RISKS

5.1. Opportunities and risk management

STRUCTURE AND INSTRUMENTS

Opportunities and risk management is a fundamental part of conducting business within the AT&S Group. The objective of increasing enterprise value involves not only opportunities but also risks. The task of Risk Management is to provide a uniform system that enables early identification and proactive management of positive or negative deviations from the corporate goals. Therefore, AT&S operates a Group-wide Risk Management (RM) system in accordance with the Austrian Code of Corporate Governance (ACCG), an Internal Control System (ICS) in accordance with COSO standards, as well as Internal Audit based on the IIA standards.

From an organisational perspective, Risk Management, Internal Control System and Internal Audit functions fall within the responsibility of the CFO. Risk Management reports regularly to the full Management Board at a Management Board meeting. The Supervisory Board is included within the framework of the Audit Committee meetings, which take place at least twice a year. The proper functioning of the risk management system is assessed annually by the auditor in the course of the annual audit of the financial statements pursuant to Rule 83 ACCG.

The risk management process shown in Figure 1 is conducted at least twice a year.

Risk management is conducted based on the risk strategy and risk exposure at the hierarchy level assigned to the relevant level of risk (see Figure 2), which was defined in a Group-wide risk management policy.

RISK MANAGEMENT IN 2023/24

In the financial year 2023/24, the integration of Enterprise Risk Management in all organisational units was intensified. At risk management workshops with the Group, business unit and plant functions, risks are comprehensively identified and assessed, and mitigation measures are defined. The standardized parameters used for the risk assessment have been revised within financial year 2023/24. Furthermore, the continuouse improvement of the maturity level is mirrored in the risk reporting to the Management and Audit Committee.

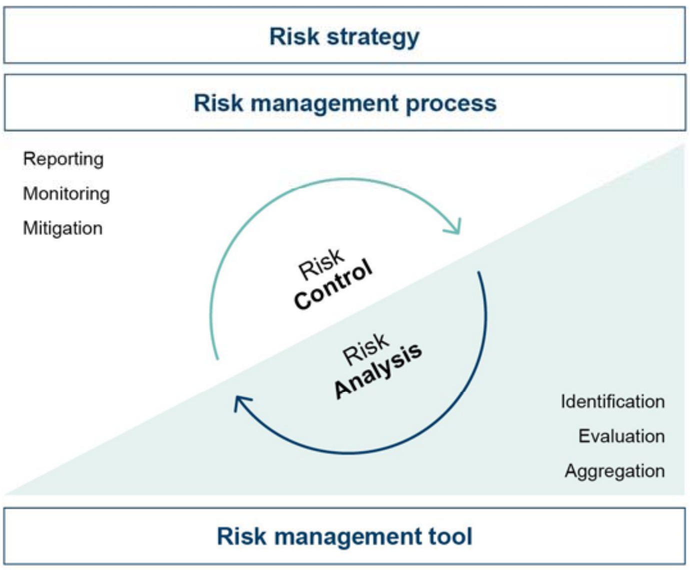


Figure 1: AT&S Risk management process

Risk strategy:
defined by the Management Board and process owners.

Risk identification:
group-wide identification and evaluation. Immediate reporting of significant new risks.

Risk evaluation:
consistent group-wide evaluation of all risks with respect to their impact, probability of occurrence and resulting risk rating.

Aggregation & reporting:
aggregation and regular reports of all significant risks to the Management Board and Audit Committee by the Risk Manager.

Risk mitigation & monitoring:
in accordance with defined reporting and decision levels actions to mitigate the identified risks are taken (based on risk level, see Figure 2).

Risk management tool:
group-wide for risks

RM: Risk Management; ICS: Internal Control System; BU: Business Unit;
FMEA: Failure Mode and Effects Analysis
Figure 2: AT&S Risk levels and Risk controlling

Risk exposure & risk level:
the AT&S risk levels are derived by impact and probability of occurrence as an indicator of the risk capacity of the Group.

ICS & RM:
management of process risks supported by the internal control system. At group level, relevant risks are managed and reported through the risk management process.

Risk controlling:
clear assignment of responsible decision levels based on risk level (see left) and definition of responsibilities for the implementation of mitigation measures.

5.2. Explanation of individual risks

The risks, uncertainties and opportunities facing the Group are generally based on worldwide developments in the printed circuit board and substrate market and the Group's own operating performance. The material risks are described by risk category in the following section.

STRATEGY

Investment risk

To use growth potential, AT&S has undertaken substantial investments in new technologies (IC substrates) as well as in the further development and capacity expansion of existing technologies (SLP, mSap, HDI). To secure the high-end substrate business as a strategic cornerstone, AT&S is investing in a production site at the Kulim Hi-Tech Park, Kedah, Malaysia. The project is carried out in cooperation with two leading manufacturers of high-performance computing semiconductors. One of the two plants is nearly finalised and qualification has started. Production is expected to ramp at the end of fiscal year 2024/25. The building envelope of the second plant is completed. The timing of the procurement and installation of production equipment depends on how the market and the situation of a relevant customer develop.

In addition, the Company invested in a new R&D center for substrate and packaging solutions for the global semiconductor industry at its site in Leoben-Hinterberg. As part of the current diversification strategy, new customers were won for the IC substrate segment. As a result of this development, the R&D center will be expanded to include series production, supported by financing contributions from new customers.

Unexpected technological developments, changes in demand, restrictions through third-party patents, negative price developments, shorter technology cycles or problems in the technical implementation may have severe adverse effects on the intrinsic value of such investments. These effects can generally impact all current AT&S business activities. If there are any indications of such adverse effects, impairment tests of these investments are performed as required, which may lead to high impairment requirements due to the high investments made.

Competition risk

The use of HDI technology was successfully transferred from smartphone applications and other mobile devices to further applications, for example in the automotive industry. Delays in switching over to the new technologies on the customer side and volatile market developments may pose challenges for AT&S and lead to excess supply, over-capacities, and underutilisation.

The opportunities of the AT&S plants are based on high flexibility, high quality standards and the ability to react very quickly to changing specifications and technologies. These capabilities are imperative for prevailing in the competitive environment, especially in the Industrial segment, which is subject to diverse technological requirements among a large number of customers. To safeguard this competitive edge, AT&S constantly pursues new forms of technology and projects in close cooperation with customers.

The market demand for IC substrates significantly declined in 2023 and is expected to grow at the end of fiscal year 2024/25. A recovery to 2022 levels is expected to take at least until 2025, however. The rapid decline and elevated inventories in the market of IC substrates for notebooks, seen after the boom of 2021/2022, ended and stabilized in 2023. The rapid demand increase for high-priced AI-related infrastructure as well as macroeconomic conditions (e.g. inflation, high interest rates, fears of recession) muted the numbers of server systems sold in 2023. This led to a decline in demand for server-related IC substrates and also elevated inventories. Based on seasonal market dynamics, the market is expected to pick up at the end of fiscal year 2024/25 again and lead to overall growth in IC substrates. AT&S is therefore adjusting the investment program in Malaysia to the current market situation.

Competitor risks arise due to potential quality improvements and technological developments in countries with low production costs, for example, Vietnam or the Philippines. This could lead to a loss of competitiveness at AT&S sites, especially in Austria but possibly also at other production sites such as those in South Korea and China. In addition, competitors announced substantial investments in capacities for ABF substrates and PCB production sites outside of China in the past year, which can lead to additional overcapacities in the market and the resulting falling prices.

Moreover, a difficult market environment in the financial year 2024/25 could adversely impact the Group's results. The war in Ukraine with its effects on the energy market, continued tensions between the USA and China, the upcoming election in the USA as well as a potentially persisting high interest level result in a continued weak market environment. Lower demand for IC substrates, possible reservations of customers regarding deliveries from China, stagnating smartphone sales, weak demand in the Automotive and Industrial segments as well as unfavourable market developments in the other core segments could lead to a decline in revenue. The broad-based positioning of AT&S in the Mobile Devices & Substrates segment and in the Automotive, Industrial, Medical segment with their different production cycles can partially mitigate market risks. Along with controlling risks, crisis-proof applications are being pushed based on customer and application analyses, for example applications in the medical sector.

MARKET

Potential loss of key customers

With the help of advanced production technologies and high-quality standards, AT&S has managed to establish itself as a reliable provider to some of the world's most renowned players in the electronics industry. Due to the focus on high-end technology, the number of customers is limited to technology leaders. The revenue generated by the five largest customers accounts for 71% of total revenue, with the respective shares ranging from 2% to 35%. Our long-term relationships with these customers also offer excellent opportunities for the future. However, a concentration of this kind also poses risks if there is a significant reduction in business volume or profitability from these customers. As part of its diversification strategy, AT&S succeeded in winning additional IC substrate customers, in particular in the area of server ICs. These measures support the rapid compensation of potential negative developments among individual key customers. Nevertheless, adverse changes in the markets can have a negative impact on AT&S, as the customers operate in similar market segments.

PROCUREMENT

Procurement prices and availability

Supply chain trends are evolving all the time, the recent history has proven how important it is to be responsive, scalable and agile. Due to the past year market downturn, leading to even more customers demand volatility, the must-win battle is about providing a rapid response to customers, with shorter lead times, in order to excel in customer service and value proposition. AT&S is continuously optimizing its supplier base to create value, reduce delivery lead times, mitigate procurement risks through targeted supplier management, and exceed customer expectations. The past disruptions (Covid-19, war in Ukraine, geopolitical tensions) have eventually led to improvements in responsiveness and lead time reduction, thanks to alternate transportation options, as well as the qualification of new vendors regionally closer to AT&S manufacturing locations. Likewise, anticipating our production needs in Malaysia, an extended supplier base is being developed in South-East Asia.

The market price volatility observed shortly after the beginning of the war in Ukraine has been contained: for raw materials the LME Copper rate has been very stable over the last 12 months On the contrary, Gold prices increased over the same timeframe, while Palladium price dropped, therefore the impacts were able to compensate each other.

Suppliers

The sourcing strategy of AT&S focuses on a wide and clearly diversified base of carefully selected suppliers to reduce dependencies on individual suppliers. Long-standing and stable customer-supplier relations are in place with key suppliers with particular expertise and competitive standing. To avoid supply shortages, AT&S conducts rigorous supplier risk management, taking account of regional cluster risks and various supply routes. In this matter of Transportation & Logistics, since the end of December 2023, the ongoing conflict in the Middle East has escalated, and shipping companies have suspended the crossing of the Red Sea, re-routing their vessels around the Cape of Good Hope in Africa. These disruptions in the Suez Canal have created more challenges through longer transit times, higher costs, and lower on-time reliability with accumulated delays & shortages. AT&S is very closely monitoring the situation with partners and freight forwarders, consequently due to immediate responsiveness and actions implemented (e.g. extension of lead times extended, revision of ordering patterns, inventory levels readjustment, pre-booking of vessels), there has been no major impact reported.

BUSINESS ENVIRONMENT

Location-specific risks

The vast majority of AT&S's operating activities are based at sites outside of Austria, particularly in China. This means that the Group might be subject to potential legal uncertainties, state intervention, trade restrictions or political unrest. Irrespective of the above, any production site of the Group may furthermore be exposed to disruptive events such as fire, natural disasters, acts of war, shortages of supply or other elementary events. The termination of land use rights, permits, or lease contracts for specific plants might also have a considerable negative impact on the production output of the Group.

Manufacturing PCB's and IC substrates require a large number of wet-chemical, energy- and water-intensive processes. Furthermore, room conditions within the production area (e.g. clean room) and storage area (e.g. cold storage) have to meet specified limits. Climate-related changes may cause an increase in ambient temperature and a higher frequency of extreme weather events (e.g. heatwaves, drought), which could lead to a limitation of resources (e.g. supply of water and energy). Consequently, either costs could increase (e.g. for heating or cooling) or, in the worst case, disruptions of the production process can occur, if the supply is interrupted. Additionally, further limitations on the discharge of pollutants into the air and water as well as stricter standards for the treatment, storage, and disposal of solid and hazardous wastes could be imposed. Therefore, AT&S is working on recycling projects (e.g. copper- and water recycling) to increase closed-loop processes and also a strategy to reduce waste. Moreover, the production processes expose some of the employees to impairments with regard to chemicals, noise, or emissions. Inadequate personal safety standards and inadequate safety management could cause business interruptions owing to rising accident and health cases.

To minimise the effects of such risks, the Group has instituted business continuity management. AT&S also conducts active insurance management by means of weighing the risks and associated costs. It has concluded insurance contracts to the extent customary for a company of this size wherever such contracts were available at costs that are reasonable in relation to the impending risks.

Political risks

The electronics industry is characterised by highly integrated, transnational supply chains that are based on the free trade of goods and services. Potential protectionism or growing political tensions can lead to discontinuities in the supply chain and to competitive advantages for competitors in specific countries.

The war between Ukraine and Russia, which has been ongoing since February 2022, has an impact on the entire global economy. In addition to the resulting humanitarian disaster, the war also affects the availability of materials and energy, which is reflected in their price development. Uncertainties regarding energy supply, particularly electricity, can also have a negative effect on AT&S. To mitigate this risk, measures have been taken to enable the Company to respond quickly if required. Furthermore, the AT&S energy strategy was also expanded to include the aspect of security of supply. Nevertheless, far-reaching sanctions and other unexpected geopolitical developments can have negative effects on the business operations of AT&S.

A potential aggravation of the trade conflict between the USA and China could lead to an increase in punitive tariffs on imports of certain goods in both countries as well as trade restrictions for technology companies. From the current perspective, the trade conflict only has an insignificant influence on AT&S. Nevertheless, ongoing monitoring of new trade restrictions and/or export controls related to AT&S's underlying technologies, raw materials, and equipment as well as potentially affected customers is necessary.

In recent months, new escalations in East Asia, particularly between China and Taiwan, but also in Korea, as well as the renewed conflict in the Middle East, could have a general impact on global supply chain interdependencies. It is therefore important to monitor any intensification of these conflicts, which could potentially negatively impact on business activities. In addition, resulting macroeconomic developments may have an adversely affect on the business of AT&S.

The escalated war between Israel and the Palestinians in the Middle East is giving rise to further uncertainties in the global economy. In terms of manufacturing, Israel's weight in the global semiconductor market is limited. Furthermore, AT&S doesn't partner with manufacturing companies in Israel and is not dependent on the market in Israel. Nevertheless, the Red Sea crisis driven by the Middle East conflict has a negative impact on the transportation of goods and materials. Currently there are no major impacts on AT&S's business, but a close monitoring of the situation is ongoing.

Compliance

Amendments to regulatory requirements (for example REACH and ROHS), such as the prohibition of specific processes or materials, might lead to a rise in production costs. AT&S might be subject to payment of substantial damages or penalties should any breach of customer confidentiality agreements or statutory provisions occur. AT&S has implemented organisational measures aimed at preventing or minimising the occurrence of compliance risks. The extension of such measures is ongoing. As a rule, AT&S follows a zero-tolerance policy and expects 100% compliance with all applicable laws and regulations from its employees. The Governance, Risk & Compliance Committee (GRC Committee) supports Enterprise Risk Management in monitoring the risk landscape and helps promote compliance with legal and regulatory requirements. In addition, AT&S introduced the whistleblowing platform “We Care”, which enables employees and external third parties to report potential compliance violations.

Fraud, data security and cybercrime

To continue to successfully prevent attempted fraud, internal controls were further intensified in the past few financial years and initiatives to raise awareness among employees with regard to such fraud schemes were increased. Based on an analysis of internal processes regarding the use of personal data, the required measures were assessed and implemented in order to ensure the protection of sensitive data. Following the successful certification of all European locations in accordance with ISO 27001, the Information Security Management System (ISMS) was rolled out at all production locations and certification according to ISO 27001:2013 was performed. Alignment with international IT standards ensures safe handling and appropriate access to information, and the availability of reliable systems.

Despite best efforts, we must acknowledge that no system is completely immune from potential hacking attacks. Such incidents, if they occur, could negatively impact the security of data and the availability of IT systems. AT&S continually strives to mitigate these risks and ensure the safety and integrity of its systems.

OPERATIONS

Quality and delivery performance

As in the past, the high quality of products, adherence to delivery deadlines and service quality will offer the Group an opportunity to differentiate itself from the competition and exploit growth opportunities in the future. At the same time, AT&S has to make substantial contractual commitments, especially to key customers, with respect to capacity reserves and volume guarantees, adherence to delivery deadlines, and quality performance. Any technical defects, quality deficiencies, difficulties in delivering products or failure to provide volume guarantees granted may expose AT&S to warranty claims, claims for damages, and contractual penalties. Quality deficiencies may even lead to delivery stops for certain part numbers. Even if such quality deficiencies were not caused in the production process of AT&S but within the supply chain, such delivery stops may lead to significant drops in revenue. Substantial quality deficiencies could also result in product recalls and the loss of customers. AT&S has established a quality management and planning system designed to rule out or minimise deficiencies in product quality and planning mistakes and their negative consequences as far as possible. In order to ensure high product quality, AT&S not only meets general international quality standards (ISO 9001) but also further standards for the automotive (e.g. IATF 16949), aviation (e.g. NADCAP accreditation), and medical technology (e.g. DS/EN ISO 13485) sectors. Furthermore, the Group is insured against major risks by virtue of an (extended) product liability insurance policy taking into account exclusions of coverage and customary coverage limits.

Intellectual property

AT&S endeavours to exploit any opportunities for obtaining intellectual property as well as gaining access to promising patents through the development of its own projects, cooperation schemes with partners, and investments. Risks arise if AT&S fails to protect its intellectual property, thus enabling the competition to utilise these technologies. Legal disputes about intellectual property can prevent AT&S from using or selling disputed technologies. Furthermore, legal disputes with regard to the unauthorised use of external intellectual property can have considerable negative financial consequences.

Technology and project development

The establishment and expansion of capacity for IC substrates in Chongqing and Kulim lead to specific risks given the significant investment volume. The market for IC substrates is influenced by technological changes. The establishment of an R&D centre including prototype production in Austria is also intended to serve the development of new technologies, thus mitigating the market risk of IC substrates. However, this technological progress includes the general risk of new technology developments. Complications in advancing these technological developments and project implementation could result in major burdens on business development and the existing financial and administrative resources.

Cost control

AT&S has initiated comprehensive cost optimisation programmes in order to mitigate effects resulting from weak demand, price pressure, and inflation. These programmes focus on increasing the scope of continuous improvement measures, on accelerating their implementation, and on eliminating the inefficient use of materials and resources as far as possible. Continuous cost reduction and efficiency increases in all business segments are crucial to the Group's profitability. If cost reduction measures and performance increases cannot be implemented as planned (or if the costs cannot be passed on to customers), this may have a negative impact on the competitiveness of the Group.

ORGANISATION

Employees

The collective industry experience and management expertise of the employees of the AT&S Group are the foundation for using future opportunities. The two major projects (Leoben and Kulim) require a high number of qualified personnel. Should it not be possible to hire sufficient qualified staff, this might have a negative impact on the progress of these major projects. AT&S continuously develops strategies for retaining key employees, recruiting additional valuable personnel, and further expanding the skills of its staff.

FINANCE

Foreign exchange risk

Exchange rate fluctuations can have considerable positive or negative effects on the results of the Group. To minimize the transaction effects, the Group employs a hedging strategy by generating opposing cash flows in the respective currencies. The high investments in Asia over the past few years and the expected strong revenue growth will result in significant translation risks related to the RMB and MYR. Finance costs are influenced by currency effects because investments are in part denominated in foreign currency. The main intragroup loans are long-term in nature and their repayment is neither scheduled nor probable in the foreseeable future. These loans are therefore recorded directly in equity through the statement of comprehensive income. The extent of these risks is regularly analysed. The results are incorporated into strategies to implement efficient currency management.

Financing and liquidity

The Group uses both short- and long-term financial and liquidity planning to secure the financial needs for the expansion strategy. However, negative business developments, significant deviations from assumptions in business cases, further changes in interest rates, exchange rate fluctuations, or valuation adjustments may have caused failure to achieve the targeted equity ratio and the net debt/EBITDA ratio, and subsequently may lead have led to additional financing requirements and higher costs, or even the temporary loss of existing financing facilities. The interest rate risk is hedged centrally for the Group by the Group Treasury as a whole, using appropriate financial instruments.

For more information on financial, liquidity, credit, and foreign exchange risks, please refer to Note 20 "Additional disclosures on financial instruments" in the notes to the consolidated financial statements.

Tax risk

The Company is active on a global basis and thus subject to different tax systems. Unless the requirements for the formation of a provision or liability are met, both national and international tax risks are incorporated within financial risks and monitored accordingly. At present, the material tax risks are related to the Company in India. To minimise future tax risks, the Group continuously monitors compliance with national tax laws and international guidelines such as those of the OECD (in particular with a view to the BEPS action plan (Base Erosion and Profit Shifting)). Although AT&S strives to comply with all tax laws and regulations, there is a risk of different interpretations of international transactions in different countries, which may lead to double taxation and additional tax burdens. In addition, there is a risk of higher tax burdens resulting from future changes in tax legislation.

ESG

ESG risks, i.e. risks regarding environmental, social, and governance issues, have also been considered as part of corporate risk management. For further information regarding material ESG risks, please refer to the non-financial report 2023/24, section "ESG opportunities and risk management".

5.3. Internal control and risk management system with regard to accounting

The accounting-related Internal Control and Risk Management system is an integral part of the Group-wide risk management system. According to the framework concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), the actual risk management as well as the Internal Control System (ICS), are subsumed under the concept of company-wide risk management. The main criteria of Risk Management, Internal Control System, and Internal Audit of AT&S are specified in a Group-wide risk management and audit manual.

The documentation of the internal controls (business processes, risks, control measures, and those responsible) is made principally in the form of control matrices, which are archived in a central management database. The accounting-related Internal Control System includes principles, procedures, and measures to ensure the compliance of accounting in terms of control targets described for financial reporting. The Internal Control System aims to ensure the effectiveness and efficiency of the business activities, reliable financial reporting, and compliance with the applicable legal requirements and internal regulations.

Further principles of the ICS are:

- Identification of operating risks and definition and implementation of adequate control measures
- Ensuring an adequate separation of functions
- Ensuring the correctness and completeness of accounting
- Ensuring transparency and traceability
- Disclosure of damage already done
- Protection of property, plant and equipment and intangible assets

The accounting procedures are documented in separate process instructions. These processes are standardised across the Group and are presented in a documentation format. Additional requirements for accounting procedures result from specific local regulations. The basic principles of accounting and reporting are documented in the process descriptions and in detailed process instructions, which are also filed in the central document management system. In addition, guidelines on measurement procedures and organisational requirements in connection with the processes of accounting and preparing the financial statements are compiled and updated regularly. The necessary control measures in connection with accounting processes, for example access authorisations and separation of functions, are documented in the Internal Control System. Their implementation and effectiveness are regularly reviewed by Internal Audit and any improvement measures are identified.

The internal financial reporting is done monthly as part of Group reporting, with the financial information being reviewed and analysed by the Corporate Finance and Corporate Controlling departments. The monthly budget/actual variance with corresponding comments on the results of the segments, of the plants as well as of the Company, is reported internally to the executives and the members of the Supervisory Board.

The annual preparation of the budget is carried out by the Corporate Controlling department. Quarterly forecasts are drawn up during the year for the remaining financial year based on the quarterly results and current planning information. The forecasts, with comments on the budget comparison and presentations on the impact of opportunities and risks up to the end of the financial year, are reported to the Supervisory Board. In addition to regular reporting, multiple-year planning, project-related financial information or calculations on investment projects are prepared and submitted to the Supervisory Board.

6. OUTLOOK

Macroeconomic development

In 2023, the economy largely returned to pre-COVID-19 conditions. Supply chains and demand stabilized, while central banks tightened the monetary reins to curb inflation.

In most regions, headline inflation slowed from the peaks experienced in 2022. However, core inflation, which excludes volatile prices for food and energy, proved stickier. Consumer demand remained muted in most major economies, as inflation and high interest rates reduced purchasing power. Global output, measured by Gross Domestic Product (GDP), increased by an estimated 3.1% in 2023, with advanced economies experiencing slower growth than emerging markets and developing economies. GDP grew by 0.5% in the euro area, by 5.2% in China, and by 2.5% in the United States. Projections for 2024 predict a global GDP growth of 3.1%.[39]

Conflicts and geopolitics continued to play a significant role on the international stage. One of the most discussed topics was the continued effort of the United States, supported by European and Asian partners, to restrict Chinese access to advanced technologies via export restrictions and bans targeting an increasing number of Chinese companies. The ongoing war in eastern Ukraine and, since Autumn 2023, the ongoing bombardment of the Gaza strip by the Israeli army following an attack by Hamas on 7 October 2023, have also contributed to the increase of tensions in the Middle East as well as internationally.

Market analyses anticipate a declining trend of 4% for printed circuit boards and of 8% for IC substrates for the calendar year 2024. For further information on industry and technology trends please refer to Section 1 “Market and industry environment” of the Management Report.

Expected market environment

The expectations for AT&S’s segments are currently as follows: In the area of mobile devices, where overall market conditions are weak, demand is expected to recover only slightly; this segment will remain a challenge for AT&S. In contrast, the module printed circuit board business continues to develop positively.

Although the PCB market in the automotive segment is currently under pressure due to higher inventory levels in the supply chain, among other things, it is subject to a growth trend in the medium term, as the electronic content per vehicle continues to increase. In the Industrial segment, a slight recovery of the market is expected in 2024.

The market for notebooks is generally volatile and subject to significant quarterly fluctuations. In the markets for IC substrates, demand for notebooks in 2024 is expected to be slightly higher than in 2023. This should lead to higher demand for IC substrates since inventories have now normalized.

Since a growing share of investments in the server market is currently directed towards high-priced products focused on artificial intelligence, the reduction of inventories is proceeding more slowly than initially expected. Inventory levels should have normalized by the second half of the financial year 2024/25, and demand for server products is expected to pick up again. The most recent order planning of AT&S’s main customers also indicates such a development. Due to the expected change in architecture, the product mix should continue to change, with the trends towards technologically higher-end IC substrates also expected to continue; AT&S will benefit from this trend.

Overall guidance for the financial year 2024/25

AT&S endeavors to finance its capital requirements at an early stage and currently has a liquidity reserve of € 1,276.8 million. Measures to secure future liquidity are continuously evaluated. In addition to the prolongation and raising of new loans, the sale of the subsidiary in South Korea is also being considered.

Some of the industries served by AT&S have stabilized over the past months. On this basis, demand is expected to recover in terms of volume, in particular in the second half of the financial year 2024/25. Nevertheless, the company assumes that strong price pressure will continue. The consistent implementation of and further focus on the already ongoing efficiency programs is intended to counter this pressure. In addition to comprehensive cost-cutting

[39] IMF, “World Economic Outlook Update”, January 2024

measures, a reduction of up to 1,000 employees will be implemented at the existing locations.

After the high investments of € 996 million in 2022/23 and € 855 million in 2023/24, net capex will decline significantly in the coming years. The management is planning investments of roughly € 500 million for the financial year 2024/25 depending on the market environment and progress of projects. The majority of these investments will be used for the IC substrate production at the new plants in Kulim and Leoben. With the start of high-volume production at the two plants at the end of the financial year 2024/25, AT&S will continue to further differentiate its customer base for IC substrates.

AT&S expects to generate annual revenue in the range of € 1.7 to € 1.8 billion in the financial year 2024/25[40]. Excluding effects from the start-up of the new production capacities in Kulim and Leoben amounting to roughly € 80 million, the adjusted EBITDA margin is expected to range between 25 and 27%.

Leoben-Hinterberg, 13 May 2024

The Management Board

Andreas Gerstenmayer m.p.
Peter Schneider m.p.
Peter Griehsnig m.p.
Petra Preining m.p.
Ingolf Schröder m.p.

[40] Refers to the current company structure, including the plant in Ansan, Korea

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2023/24

This report is a translation of the German original, which is solely valid.

Auditor's report
Report on the Audit of the Financial Statements
Opinion

We have audited the financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, Leoben (the Company), which comprise the balance sheet as at March 31, 2024, and profit and loss account for the financial year then ended as well as the notes to the financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those 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 laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Recoverability of deferred tax assets

- Description and Issue

In the balance sheet as of March 31, 2024, the company reports deferred tax assets of TEUR 45.982 (prior year: TEUR 38.050). This amount comprises deferred tax assets from deductible temporary differences amounting to TEUR 4.770 and deferred tax assets from tax loss carryforwards amounting to TEUR 41.212. Based on the current tax planning as of March 31, 2024, deferred tax assets were recognized for the entire tax loss carryforwards amounting to TEUR 179.181 (prior year: TEUR 147.317) as it is sufficiently probable that they will be used in the foreseeable future.

For further information, we refer to the notes, section 3.4 on accounting and valuation methods as well as section 4.5 on the breakdown and comments of the deferred tax assets including their development.

The valuation of deferred tax assets requires judgement and involves significant estimation uncertainties, and therefore, constitutes a risk of material misstatement in the financial statement. Estimation uncertainties exist in particular in relation to the assumption made in the business plan and their effect on taxable results. For this reason, we identified the recoverability of deferred tax assets as a key audit matter.

- Our Response

We have

- evaluated the process of calculating the current and deferred taxes,

- verified if the current and deferred tax calculations are mathematically correct and reconciled the calculation of the temporary differences with the underlying data,
- retraced the changes in tax losses carryforward on basis of the preliminary tax calculation,
- analyzed the assumptions made relating to the usability of the tax loss carryforwards and the deductible temporary differences as well as challenged the underlying planning assumption, and
- audited the presentation and explanations in the notes to the financial statement.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

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 the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, 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.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the financial statements.

Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on July 6, 2023 and commissioned by the supervisory board on October 31, 2023 to audit the financial statements for the financial year ending March 31, 2024. We have been auditing the Company uninterrupted since the financial year ending March 31, 2021.

We confirm that our opinion expressed in the section "Report on the Audit of the Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Company in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Gerhard Marterbauer.

Vienna

May 14, 2024

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer m.p.
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Leoben-Hinterberg, 13 May 2024

The Management Board

Andreas Gerstenmayer m.p.
Chief Executive Officer

Peter Schneider m.p.
Member of the Executive Board,
EVP BU Electronics Solutions,
Deputy CEO

Peter Griehsnig m.p.
Chief Technology Officer

Petra Preining m.p.
Chief Financial Officer

Ingolf Schröder m.p.
Member of the Executive Board,
EVP BU Microelectronics

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