

REPORT TO THE SHAREHOLDERS

**Secured
profitability**

SEMI-ANNUAL REPORT 2020

CONTENTS

- 03 **Key figures**
- 04 **Report to the shareholders**
- 06 **Consolidated balance sheet**
- 07 **Consolidated income statement**
- 08 **Consolidated statement of changes in equity**
- 09 **Consolidated cash flow statement**
- 10 **Notes to the consolidated financial statements**
- 20 **Agenda**

Short profile

Bossard is a leading international supplier of product solutions and services in industrial fastener technology. Its product range includes over 1,000,000 fasteners and customer-specific application solutions. In combination with services in the areas of Smart Factory Logistics and Assembly Technology Expert, Bossard enables its customers to increase their productivity sustainably. Success is measurable: Proven Productivity.

With 2,500 employees in 80 locations, the Group reported CHF 876.2 million in sales in 2019. Bossard is listed on the SIX Swiss Exchange.

Key figures

in CHF million	First 6 months 2020	First 6 months 2019	Year 2019
Net sales	399.4	450.9	876.2
Gross profit	122.2	141.3	273.3
EBIT	41.1	53.0	95.7
in % of net sales	10.3	11.7	10.9
Net income	31.6	41.6	76.0
in % of net sales	7.9	9.2	8.7
Cash flow from operating activities	34.4	18.2	84.5
Current assets	480.2	477.6	464.9
Non-current assets	183.4	173.9	187.8
Current liabilities	199.9	185.5	161.8
Non-current liabilities	166.3	171.4	186.4
Shareholders' equity	297.4	294.6	304.5
in % of total assets	44.8	45.2	46.7
Total assets	663.6	651.5	652.7
Net debt	191.9	188.8	187.7
Weighted average number of employees ¹⁾	2,412	2,431	2,447
Share capital ²⁾			
Number of shares entitled to dividend			
Registered A shares at CHF 5 par	6,314,512	6,273,065	6,345,360
Registered B shares at CHF 1 par	6,750,000	6,750,000	6,750,000
Registered shares equivalents at CHF 5 par entitled to dividend	7,664,512	7,623,065	7,695,360
Market price in CHF (Ticker symbol: BOSN)			
Closing price share at end of reporting period	144.8	151.8	174.7
Registered A share high during reporting period	176.1	167.1	180.8
Registered A share low during reporting period	95.1	139.7	123.9
Key figures			
Consolidated earnings per registered A share in CHF ^{2) 3)}	8.25	10.62	9.73
Net asset value per registered A share in CHF	38.8	38.6	39.6
Price/earnings ratio (Basis: 30.06./31.12.)	17.6	14.3	18.0
Price/book value per share (Basis: 30.06./31.12.)	3.7	3.9	4.4

1) Period average full time equivalent

2) Basis: Annual average of share capital entitled to dividend

3) Basis: Net income of shareholders of Bossard Holding AG – First 6 months extrapolated to 12 months

REPORT TO THE SHAREHOLDERS

Secured profitability in times of COVID-19

Ladies and gentlemen,

In a market environment characterized by the COVID-19 pandemic, the Bossard Group held its own in the first half of 2020 and maintained its profitability. Noticeably lower demand, especially in the second quarter, along with the significant appreciation of the Swiss franc, had a commensurate impact on the result. Encumbered by these conditions, currency-adjusted sales in the first half of the year fell by 7.4 percent to CHF 399.4 million (in CHF: –11.4 percent). The EBIT amounted to CHF 41.1 million, corresponding to an EBIT margin of 10.3 percent. In spite of the challenging market conditions, the EBIT margin remained consistently strong. Net income for the first six months totaled CHF 31.6 million. Our proactive measures, widely diversified customer base, unflagging ability to deliver, and the continuity of our engineering and logistics services were the foundation for the Bossard Group's consistently strong profitability.

The first half of 2020 was dominated by the COVID-19 pandemic. Demand from our customers fell substantially in the wake of the pandemic and the measures taken by many countries to fight against the pandemic. Furthermore, the appreciation of the Swiss franc adversely affected sales in all market regions.

Broad customer base supports Europe

Owing to the impact of the COVID-19 pandemic, the Bossard Group posted a currency-adjusted drop in sales in Europe of 7.1 percent to CHF 235.7 million in the first half of the year (in CHF: –11.0 percent). Our widely diversified customer base in the various industry segments proved beneficial, especially in Europe. Above all, markedly greater demand in the medical technology sector had a compensatory effect. The acquisition of Boysen in July 2019 also helped to stabilize sales.

Headwind in America

Bossard was already facing headwinds in America in the second half of 2019. Although the erosion in sales did slow in the first quarter of 2020, the second quar-

ter again became more difficult as a result of the pandemic. Sales in the first half of the year fell in local currency by 11.5 percent to CHF 96.8 million (in CHF: –14.6 percent).

Asia gratifying despite COVID-19

After a long phase of uninterrupted growth in Asia, Bossard suffered a substantial drop in demand in the first quarter owing to the pandemic. Demand improved in the second quarter, resulting in only a slight drop in sales for the first six months of 1.6 percent in local currency to CHF 66.9 million (in CHF: –8.0 percent). The positive growth rates Bossard posted in South Korea, Malaysia, and Singapore contributed to that outcome. In Taiwan, we even reached a new sales record.

Measures pay off

The COVID-19 measures we took early on were aimed primarily at protecting our employees, securing our profitability, and thus sustaining our operational performance. The dual purchasing strategy we have pursued for years to ensure alternative sources of procurement played a central role in our success. This meant that our ability to deliver to our customers was never at risk.

The difficult market environment and the product mix resulted in a slightly lower gross profit margin of 30.6 percent in the first six months compared to 31.3 percent in the same period last year. Selling and administrative expenses fell by 8.2 percent to CHF 81.1 million compared to previous year. Our early measures as well as government support had a compensatory effect. The number of employees dropped only marginally since the beginning of the year. In spite of restricted mobility, we were always able to support our customers thanks to video conferences and webinars. We focused particularly on product development, implementation of engineering projects, and setting up innovative logistics solutions.

Robust results in spite of volatile market environment

The pandemic-related decline in sales also affected the earnings situation. EBIT fell to CHF 41.1 million in the first six months compared to last year's CHF 53.0 million. We nonetheless managed to achieve a

high EBIT margin of 10.3 percent (previous year: 11.7 percent). Net income decreased to CHF 31.6 million (previous year: CHF 41.6 million). The Group's return on sales remained respectable at 7.9 percent (previous year: 9.2 percent). Our solid profitability enabled us to move ahead with strategic projects. The results from the first half of the year show that sustainability underpins our product and service offering, which is also characterized by high margin stability even in crisis conditions.

Solid balance sheet

Compared to the end of 2019, total assets grew by CHF 10.9 million to CHF 663.6 million, resulting from a higher level of cash, among other things. The reduced dividend payout strengthened the equity ratio which was at robust 44.8 percent and thus remained above the long-term target of 40 percent. Net debt increased only slightly in the first half of the year by CHF 4.2 million to CHF 191.9 million. The gearing – the ratio of net debt to equity – was 0.6 at the end of June, remaining at the 2019 year-end level. The positive cash flow in the first six months also contributed to a solid balance sheet.

Positive free cash flow

In the first half of the year, cash flow from operating activities was CHF 34.4 million compared to last year's CHF 18.2 million. The markedly higher cash flow stemmed not only from continued solid profitability but primarily from the lower net working capital which is attributable to the lower level of trade receivables. The cash flow from investing activities dropped year-on-year from CHF 41.7 million to CHF 20.7 million. This figure reflects the restrained investment activity in the current market environment as well as the lower outflow of funds for business acquisitions, which resulted in a positive free cash flow of CHF 13.6 million (previous year: CHF –23.6 million).

Business environment remains challenging

Our broad-based measures to manage the COVID-19 pandemic were obviously effective, so we will continue to pursue the same course. First signs of recovery are noticeable. The latest purchasing managers' indices also point to slight improvement in the market environment. How strongly this and the further development of the COVID-19 pandemic will affect

Bossard's business in the coming months will be difficult to estimate and therefore hard to predict. This will also depend on government measures, which may influence the process of economic recovery.

We see our performance in the first half of the year as a confirmation of our long-term growth strategy. It is rooted in our investments over recent years, resulting in the continual strengthening of our infrastructure as well as areas such as Smart Factory Logistics and Engineering Services. In addition, we are heartened by the fact that, even in these challenging times, we fully maintained our ability to deliver orders and provide engineering and logistics services to our customers. Our service package enables us to show our customers right in the design phase for a new product how to reduce costs for C-parts, lower complexity, and make production processes leaner. In keeping with our promise of "Proven Productivity", we are able to make a substantial contribution to increasing our customers' competitiveness – even in the current environment.



Dr. Thomas Schmuckli
Chairman of the
board of directors



Dr. Daniel Bossard
CEO

Zug, August 25, 2020

Consolidated balance sheet

in CHF 1,000	30.06.2020	30.06.2019	31.12.2019
Assets			
Current assets			
Cash and cash equivalents	45,666	37,922	32,653
Securities	0	552	0
Accounts receivable, trade	134,887	162,466	138,503
Other receivables	4,392	3,461	5,095
Prepaid expenses	16,113	11,929	11,570
Inventories	279,115	261,247	277,073
	480,173	477,577	464,894
Non-current assets			
Property, plant and equipment	127,403	123,287	129,162
Intangible assets	31,155	28,823	31,457
Financial assets	3,325	4,083	4,480
Deferred tax assets	21,567	17,770	22,736
	183,450	173,963	187,835
Total assets	663,623	651,540	652,729
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	51,578	51,985	55,831
Other liabilities	15,066	15,710	15,976
Accrued expenses	32,760	38,896	27,780
Tax liabilities	9,108	5,021	8,960
Provisions	3,733	1,376	2,376
Short-term debts	87,632	72,477	50,924
	199,877	185,465	161,847
Non-current liabilities			
Long-term debts	149,955	154,216	169,445
Provisions	7,167	8,558	7,675
Deferred tax liabilities	9,178	8,670	9,238
	166,300	171,444	186,358
Total liabilities	366,177	356,909	348,205
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	-4,325	-4,258	-2,571
Capital reserves	72,497	64,249	72,477
Retained earnings	187,249	191,673	191,617
	295,421	291,664	301,523
Non-controlling interest	2,025	2,967	3,001
Total shareholders' equity	297,446	294,631	304,524
Total liabilities and shareholders' equity	663,623	651,540	652,729

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	First 6 months 2020	First 6 months 2019
Net sales	399,431	450,930
Cost of goods sold	277,255	309,640
Gross profit	122,176	141,290
Selling expenses	54,649	61,661
Administrative expenses	26,424	26,668
EBIT	41,103	52,961
Financial result	3,253	921
Income before taxes	37,850	52,040
Income taxes	6,281	10,436
Net income	31,569	41,604
Attributable to:		
Shareholders of Bossard Holding AG	31,600	40,477
Non-controlling interest	-31	1,127
in CHF	2020	2019
Earnings per registered A share ¹⁾	8.25	10.62
Earnings per registered B share ¹⁾	1.65	2.12

1) Earnings per share, extrapolated to 12 months, is based on the net income of shareholders of Bossard Holding AG and the number of shares entitled to dividend. There is no dilution effect.

Consolidated statement of changes in equity

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings		Share- holders Bossard	Non- controlling interest	Share- holders' equity
				Retained earnings	Translation differences			
Balance at January 1, 2019	40,000	-2,882	62,219	288,483	-80,152	307,668	1,982	309,650
Dividend				-34,298		-34,298	-1,009	-35,307
Net income for the period				40,477		40,477	1,127	41,604
Management participation plan			965			965		965
Change in treasury shares		-1,423	-388			-1,811		-1,811
Usage unissued treasury shares		47	1,453			1,500		1,500
Offset goodwill from acquisitions				-18,080		-18,080		-18,080
Non-controlling interest from acquisitions						0	852	852
Translation differences					-4,757	-4,757	15	-4,742
Balance at June 30, 2019	40,000	-4,258	64,249	276,582	-84,909	291,664	2,967	294,631
Balance at January 1, 2020	40,000	-2,571	72,477	281,077	-89,460	301,523	3,001	304,524
Dividend				-15,355		-15,355	-43	-15,398
Net income for the period				31,600		31,600	-31	31,569
Management participation plan			527			527		527
Change in treasury shares		-1,754	-507			-2,261		-2,261
Offset goodwill from acquisitions				-10,700		-10,700		-10,700
Non-controlling interest from acquisitions						0	-749	-749
Translation differences					-9,913	-9,913	-153	-10,066
Balance at June 30, 2020	40,000	-4,325	72,497	286,622	-99,373	295,421	2,025	297,446

Consolidated cash flow statement

in CHF 1,000	First 6 months 2020	First 6 months 2019
Net income	31,569	41,604
Income taxes	6,281	10,436
Financial income	-1,552	-3,232
Financial expenses	4,805	4,153
Depreciation and amortization	9,556	8,988
Increase/(Decrease) provisions	1,336	-46
Gain from disposals of property, plant and equipment	-43	-28
Loss from disposals of intangible assets	6	0
Interest received	74	275
Interest paid	-1,554	-1,545
Taxes paid	-5,850	-11,877
Increase management participation plan (part of equity)	527	965
Other non-cash expenses	235	2,108
Cash flow from operating activities before changes in net working capital	45,390	51,801
Increase accounts receivable, trade	-331	-21,367
Increase other receivables	-4,188	-1,153
Increase inventories	-8,403	-8,482
Decrease accounts payable, trade	-2,867	-7,375
Increase other liabilities	4,778	4,737
Cash flow from operating activities	34,379	18,161
Investments in property, plant and equipment	-9,199	-13,124
Proceeds from sales of property, plant and equipment	417	516
Investments in intangible assets	-1,442	-2,898
Cash flow from purchases of companies	-11,620	-26,432
Investments in financial assets	-123	-535
Divestments of financial assets	1,223	746
Cash flow from investing activities	-20,744	-41,727
Proceeds/Repayment of short-term debts	37,119	-171
Proceeds/Repayment of long-term debts	-19,271	64,506
Purchase/Sale of treasury shares	-1,754	-484
Dividends paid to shareholders	-15,355	-34,298
Dividends paid to non-controlling interest	-43	-336
Cash flow from financing activities	696	29,217
Translation differences	-1,318	-329
Change in cash and cash equivalents	13,013	5,322
Cash and cash equivalents at January 1	32,653	32,600
Cash and cash equivalents at June 30	45,666	37,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Scope of operations (1)

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within Bossard Group (hereinafter Bossard). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services including inventory management solutions. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

Accounting principles of the consolidated financial statements (2)

The unaudited, consolidated interim financial statements for the first six months of 2020 were prepared in accordance with Swiss GAAP FER 31.

The consolidated financial statements of Bossard are based on the financial statements of the individual Group companies at June 30, 2020 prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with full Swiss GAAP FER. They are consistent with Swiss law and the listing rules of the SIX Swiss Exchange.

Principles of consolidation (2.1)

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign subsidiaries over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to Bossard. Group companies are excluded from the consolidation as of the date Bossard ceases to have control over the company. June 30 represents the uniform closing date for all companies included in the consolidated financial statements.

The purchase method of accounting is used for capital consolidation. Intercompany receivables and liabilities as well as transactions and intercompany profits not yet realized through sales to third parties are eliminated.

Investments in subsidiaries

Investments in subsidiaries are fully consolidated. These are entities over which Bossard Holding AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent directly or indirectly holds more than one half of the voting rights of an entity or the control can be exercised by any other form. This does not apply if in exceptional circumstances it can be clearly demonstrated that such ownership does not constitute control. Under the full consolidation method, 100 percent of assets, liabilities, income and expenses are included. The interests of minority shareholders in equity and net income or loss are shown separately in the balance sheet and income statement.

Transactions with non-controlling interest which do not result in a change of the consolidation method are recognized as goodwill without effect on profit and loss.

Associated companies

Associated companies are those in which Bossard Holding AG directly or indirectly holds 20 percent to 50 percent and exercises significant influence. Associated companies are accounted for using the equity method.

Non-controlling interest

Non-controlling interest of less than 20 percent and without any other form of control or significant influence is recognized at acquisition cost less any economically necessary impairment.

Goodwill

In accordance with Swiss GAAP FER 30 "Consolidated financial statements" goodwill from new acquisitions and from associated companies is converted once to Swiss francs using the closing rate as at acquisition date and is fully offset against equity at the date of acquisition.

Foreign currency translation (2.2)

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are drawn up in the applicable local currency.

Transactions in foreign currencies are translated at the time of the transaction at the daily rate applicable on that date. Exchange differences from adjustments of foreign exchange portfolios at the balance sheet date are recognized in the income statements of the Group companies as exchange gains or losses.

For the consolidated financial statements, the annual accounts of Bossard subsidiaries reporting in foreign currencies are translated into Swiss francs as follows: balance sheet items at period-end rates, equity at historical rates, and items in the income statement at the average exchange rate for the period. The translation differences are netted directly with the Group's consolidated translation differences in shareholders' equity.

Exchange differences arising from intercompany loans of an equity nature are booked to equity.

Accounting and valuation principles (2.3)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, time deposits, and other short-term highly liquid investments with original maturities of up to three months. Cash and cash equivalents are recognized at nominal value.

Securities

Securities held for trading are valued at the quoted market price prevailing on the balance sheet date. Securities without a quoted market price are valued at acquisition cost less necessary impairments.

Accounts receivable, trade

Accounts receivable are carried at the invoiced amount less allowances. The allowance for bad debts is based on the aging of accounts receivable and recognized credit risks.

Inventories

Goods for trading are recognized at average acquisition cost. Should the net realizable value be lower, the necessary value adjustments are made. Acquisition cost comprises product price and delivery cost (freight, customs duties, etc.). Cash discounts are treated as reductions of the acquisition value. Inventories that lack marketability or have low turnover are written down to the estimated market value less sales costs.

Property, plant and equipment

Land is stated at cost and generally not depreciated. Buildings, machinery and equipment, office machines and furniture as well as vehicles are stated at cost less economically necessary depreciation. Depreciation is calculated on a straight-line basis over the expected useful life of the asset. The general applicable useful lives are as follows:

Buildings	30–40 years
Machinery and equipment	5–20 years
Office machines and furniture	3–10 years
Vehicles	4–10 years

Leasehold improvements are depreciated over the shorter of useful life or lease term. Repair and maintenance costs which do not increase the value or useful life of an asset are charged directly as an expense. Replacement work to increase the useful life of assets is capitalized. Fixed assets no longer in use or sold are removed from the assets at acquisition cost minus the related accumulated depreciation. Any gains or losses arising are recognized in the income statement.

Leasing

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases, and payments are recognized as an expense on a straight-line basis over the lease term.

Intangible assets

Software

Costs (purchased or self-created) arising from the development of computer software are recognized as intangible assets; provided such costs are clearly associated with an identifiable and business-related computer program, can be reliably determined, and lead to measurable benefits over a number of years. Computer software is amortized using the straight-line method over its estimated useful life, up to a maximum of 15 years.

Others

This item includes rights. Rights are amortized using the straight-line method over their estimated useful life, up to a maximum of ten years.

Financial assets

Financial assets comprise both non-consolidated investments and long-term loans. They are recognized at acquisition cost less economically necessary value adjustments. Changes in fair value are recognized in the income statement for the period in which they arise.

Impairment

The recoverability of non-current assets is monitored annually. Impairment is treated adequately in the financial statements.

Derivative financial instruments

Financial instruments are recognized in the balance sheet at fair value. Positive replacement values are recognized under financial assets and negative replacement values under current liabilities. Derivative financial instruments held for hedging purposes are carried at the same value as the underlying transactions.

Liabilities

All liabilities of Bossard vis-à-vis third parties are recognized at nominal value.

Provisions

A provision is recognized if, on the basis of past events, Bossard has reason to assume that it will need to meet an obligation for which the amount and due date are still uncertain but can be reliably estimated.

Contingent liabilities

Contingent liabilities are valued as at the balance sheet date. A provision is made if an outflow of funds without an utilizable inflow is both probable and assessable.

Financial debts

Financial debts are recognized at nominal value. They are classified as current liabilities unless Bossard can defer the settlement of the liability for at least twelve months after the balance sheet date.

Treasury shares

Treasury shares are recognized as deduction in the equity at acquisition cost. Any gains and losses from transactions with treasury shares are included in capital reserves and recognized in equity.

Share-based compensation

There is a share purchase plan for the board of directors and the executive committee, and they are required, or may elect, to draw part of their total compensation in shares. The shares are made available at market price, less the allowable tax discount of approximately 16 percent for the three-year lockup period. The market value is always determined in February and is based on the average closing price over the last ten trading days in February. There is a restricted stock unit plan (RSU) in place for the members of the management. The eligible participants annually receive a defined sum which is converted into RSUs on Bossard Holding AG registered A shares. The conversion is performed at market value and is based on the average closing price over the

last ten trading days in November. The stock options (RSUs) are subject to a three-year vesting period. After three years, yearly one-third of the allocated RSUs is passed on to the manager provided as long as she or he is employed at the time of the vesting. After the last contractual working day, all remaining stock options (RSUs) forfeit immediately. The share-based compensation is valued at present value when granted and is recognized over the vesting period as personnel costs and as equity (instruments with equity compensation) or liability (instruments with cash compensation). If no cash settlement is planned, no subsequent valuation is made unless the terms of exercise and purchase are amended. The subsequent valuation is based on the closing price for the share of the last trading day of the financial year. No dilution effect results because no additional shares have been issued.

Pension benefit obligations

Bossard operates a number of pension plans in accordance with the legal requirements in the individual countries. Their assets are generally held in autonomous pension institutions or in statutory occupational pension plans. The pension plans are funded by employee and employer contributions. Pension plans are dealt in accordance with Swiss GAAP FER 16.

Any actual economic impacts of pension plans on the company are calculated as at the balance sheet date. An economic benefit from a surplus is capitalized provided this is admissible and the surplus is to be used to decrease the company's future contributions to its pension plans. An economic liability is recognized if the conditions for forming a provision are met. Contributions by subsidiaries to other pension plans are recognized in the income statement in the year in which they are made.

Net sales and revenue recognition

Revenue is recognized at fair value and represents the amount receivable for goods supplied and services rendered, net of sales-related taxes and revenue reductions. Revenue reductions include all positions that can be directly assigned to the sales, such as discounts, losses on receivables and exchange rate differences. Sales revenues are recognized when the goods and services have been supplied or rendered.

Non-operating result

Non-operating results are expenses and income arising from events or transactions which clearly differ from the ordinary operations of Bossard.

Income taxes

All taxes are accrued irrespective of when such taxes are due. Deferred income taxes are recognized according to the "liability method" for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets on temporary differences can only be capitalized if recovery is probable. Deferred taxes are calculated using the expected applicable local tax rates. Bossard will not capitalize tax savings from tax loss carryforwards. The value of such tax assets is recognized only when realized.

Taxes payable on the distribution of profits of subsidiaries and associates are accrued only for profits that are to be distributed the following year.

Related parties

A party is related to Bossard if the party directly or indirectly controls, is controlled by, or is under common control with Bossard, has an interest in Bossard that gives it significant influence over Bossard, has joint control over Bossard (board of directors and executive committee) or is an associate or a joint venture of Bossard. In addition, members of the key management personnel of Bossard as well as pension plans are also considered related parties.

Accounting estimates and assumptions

Preparing the financial statements in accordance with Swiss GAAP FER requires the board of directors and the executive committee to make estimates and assumptions which can have an impact on the recognized assets, liabilities, contingent liabilities and contingent assets at the time of preparation as well as income and expenses for the reporting period. These assessments are based on the board of directors' and the executive committee's best knowledge and belief of current and future Bossard activities. The actual results may deviate from these estimates.

Changes in the scope of consolidation (3)

There were no changes in the scope of consolidation in first half of 2020.

In first half of 2019, BRUMA Schraub- und Drehtechnik GmbH, Germany, was acquired (100 percent investment) and Bossard Fastening Solutions (Tianjin) Co. Ltd, China, was founded.

In first half of 2019, assets from Linquan Precision Co. Ltd, China, were acquired as part of an asset deal.

Segment information (4)

The Bossard Group and all its regional companies are internationally active in the field of industrial fastening technology. There are no separate segments as per Swiss GAAP FER 31. All the regional companies are managed based on a uniform business strategy. The core of Bossard's strategy is a uniform business model with the same customer and product orientation in the world's major industrial regions. Bossard supplies industrial companies at their worldwide production sites with fastening technology products and related services based on uniform quality standards using uniform operational systems and processes. The board of directors and executive committee manage the Bossard Group on the basis of the financial statements of the individual regional companies and the Group's consolidated financial statement. Based on the number of regional companies, the CEO delegates the oversight of the goals and their implementation in daily operations to the remaining members of the executive committee, each of whom is responsible for a different number of companies in the various regions.

Sales by regions (5)

in CHF million first 6 months	Europe		America		Asia		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales	236.4	265.4	97.1	113.7	67.6	73.0	401.1	452.1
Sales deductions	0.7	0.6	0.3	0.3	0.7	0.3	1.7	1.2
Total Net sales	235.7	264.8	96.8	113.4	66.9	72.7	399.4	450.9

Financial result (6)

in CHF 1,000	First 6 months 2020	First 6 months 2019
Financial income	-1,552	-3,232
Financial expenses	4,805	4,153
Total Financial result	3,253	921

Acquisition and disposal of subsidiaries and businesses (7)

Acquisitions 2020

In January 2020, the investment in Torp Tekniske AS, Norway, was increased from 60.0 percent to 100.0 percent. This investment led to a cash outflow of CHF 11.6 million and a goodwill of CHF 10.9 million.

In April 2020, a purchase price adjustment was made for a previous year asset deal in China. The reversals of a provision and of a deferred tax asset resulted in a reduction of goodwill of CHF 0.2 million.

Disposals 2020

In 2020, no subsidiaries were disposed.

Acquisitions 2019

The following table shows the acquired balances at their market value as per acquisition date and the resulting goodwill.

in CHF 1,000	Market value as per acquisition
Cash and cash equivalents	1,515
Accounts receivable, trade	1,650
Inventories	5,554
Other current assets	1,195
Non-current assets	2,874
Accounts payable, trade	-115
Other current liabilities	-740
Non-current liabilities	-23
Net assets acquired	11,910
Goodwill	13,851
Total	25,761
Less acquired cash and cash equivalents	-1,515
Less purchase price not yet paid	-1,564
Cash flow from acquisitions	22,682

In January 2019, assets from Linquan Precision Co. Ltd, China, were acquired as part of an asset deal.

In January 2019, BRUMA Schraub- und Drehtechnik GmbH, Germany, was acquired.

Further acquisitions

In March and April 2019, the investment in bigHead Fasteners Ltd, England, was successively increased from 19.0 percent to 41.9 percent. This investment led to a cash outflow of CHF 0.7 million and a goodwill of CHF 1.6 million.

In April 2019, a share of 30 percent of Ecoparts AG, Switzerland, was acquired. This investment led to a cash outflow of CHF 3.0 million and a goodwill of CHF 2.6 million.

Summary acquisitions

All the mentioned investments led to a cash outflow of CHF 26.4 million and a goodwill of CHF 18.1 million.

Disposals 2019

In 2019, no subsidiaries were disposed.

Exchange rates (8)

	30.06.2020 Exchange rate	01.01.2020– 30.06.2020 Average exchange rate	31.12.2019 Exchange rate	30.06.2019 Exchange rate	01.01.2019– 30.06.2019 Average exchange rate
1 EUR	1.06	1.06	1.09	1.11	1.13
1 USD	0.95	0.97	0.97	0.98	1.00
1 GBP	1.17	1.22	1.28	1.24	1.29
1 AUD	0.65	0.64	0.68	0.68	0.71
1 RON	0.22	0.22	0.23	0.23	0.24
1 CAD	0.70	0.71	0.75	0.75	0.75
1 NOK	0.10	0.10	0.11	0.11	0.12
1 ZAR	0.05	0.06	0.07	0.07	0.07
100 DKK	14.28	14.25	14.55	14.88	15.13
100 SEK	10.17	9.98	10.35	10.51	10.74
100 CZK	3.99	4.04	4.28	4.37	4.40
100 HUF	0.30	0.31	0.33	0.34	0.35
100 PLN	23.95	24.13	25.55	26.15	26.31
100 RSD	0.91	0.91	0.92	0.94	0.96
100 SGD	67.87	69.08	71.96	72.10	73.56
100 TWD	3.22	3.22	3.24	3.14	3.23
100 RMB	13.39	13.73	13.92	14.21	14.73
100 MYR	22.12	22.74	23.63	23.57	24.27
100 THB	3.07	3.06	3.25	3.18	3.16
100 INR	1.25	1.31	1.36	1.41	1.43
100 KRW	0.08	0.08	0.08	0.08	0.09
100 MXN	4.10	4.51	5.13	5.08	5.22

Events occurring after balance sheet date (9)

Since June 30, 2020 no further major events occurred which would require additional disclosures or changes in the Semi-Annual Report 2020.

AGENDA

Publication of sales results, 3rd quarter 2020
October 14, 2020

Publication of sales results 2020
January 14, 2021

**Meeting for financial analysts & media conference,
publication of Annual Report 2020**
March 3, 2021

Annual general meeting
April 12, 2021

Publication of sales results, 1st quarter 2021
April 12, 2021

The Semi-Annual Report 2020 is available on www.bossard.com > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER 31.

The Semi-Annual Report contains forecasts. They reflect the company's present assessment of market conditions and future events and are thus subject to certain risks, uncertainties and assumptions. Through unforeseeable events the actual results could deviate from the forecasts made and the information published in this report. Thus all the forecasts made in this report are subject to this reservation.

This Semi-Annual Report 2020 is also available in German. The German version is binding.

Imprint

Publisher: Bossard Holding AG, Zug

Concept and Design: Keim Identity GmbH, Zurich

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