

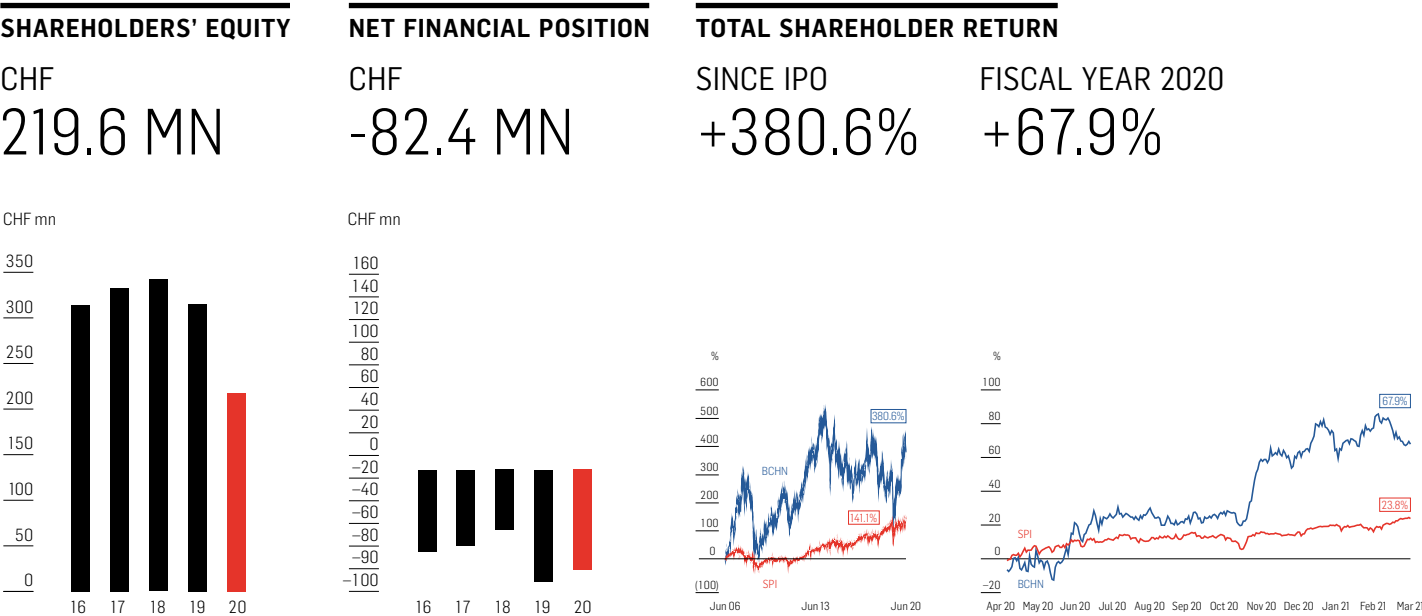
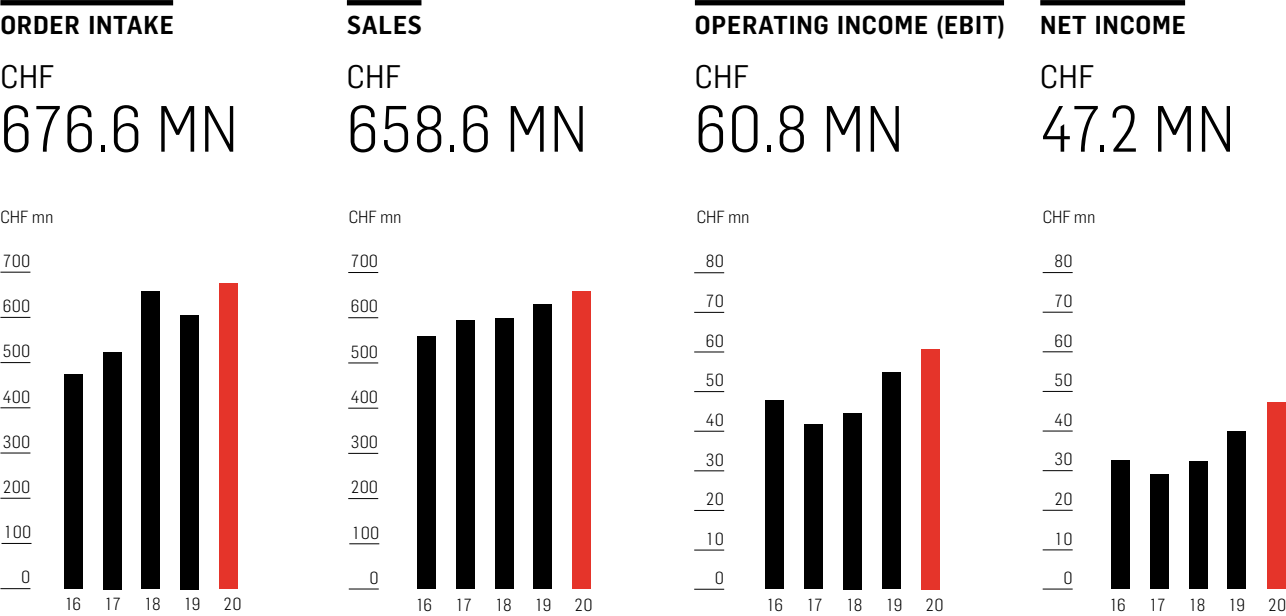


ANNUAL REPORT 2020

Compressors for a Lifetime™

FURTHER IMPROVEMENT IN PROFITABILITY

Despite the coronavirus pandemic, 2020 was characterized by higher sales, a further improvement in operating income, and a clear year-on-year increase in net income. Order intake also went up in spite of the challenges.



MILESTONES IN 2020



COMPLETE TAKEOVER OF SHENYANG YUANDA COMPRESSOR

On March 2016, Burckhardt Compression took a 60% stake in Shenyang Yuanda Compressor, based in Shenyang, China. In February 2021 it acquired the remaining 40% as planned. The leading Chinese manufacturer of reciprocating compressors has extended Burckhardt Compression's local presence to new market segments, has broadened its product portfolio so it can address a wider range of market needs, and has been providing immediate access to a well-established local supply chain.



10-YEAR SERVICE CONTRACT FOR 9 LNG TANKERS

International company BW LNG has signed a ten-year service contract with Burckhardt Compression for nine liquefied natural gas (LNG) tankers with Laby®-GI compressors. This marks a real milestone for Burckhardt Compression as it seeks to offer life-cycle solutions tailored to customer needs. The contract covers on-board services that will add value to the operation of the vessels, including lower life cycle costs, operational efficiency and preventive maintenance.



NEW SERVICE CENTER IN SWEDEN

The Service Center in Sweden, which was originally opened in partnership with Kompressorteknik is now a Burckhardt Compression-owned subsidiary. This allows us to provide faster and better service to customers in Sweden and the other Nordic countries.



HYDROGEN LIQUEFACTION PLANT IN SOUTH KOREA

Burckhardt Compression won the order to build compressors for a new hydrogen liquefaction plant in South Korea. The two BCS API 618 process gas compressors will be used to compress hydrogen as part of the liquefaction process. The new liquefaction plant is part of South Korea's strategy to maintain its position as a world leader in the development of hydrogen as a clean energy source. Scheduled to start production in 2023, the plant will be able to produce five tons of liquefied hydrogen per day to supply the country's hydrogen filling stations.



BOIL-OFF GAS COMPRESSORS REDUCE SULFUR DIOXIDE AND CO2 EMISSIONS FROM CONTAINER SHIPS

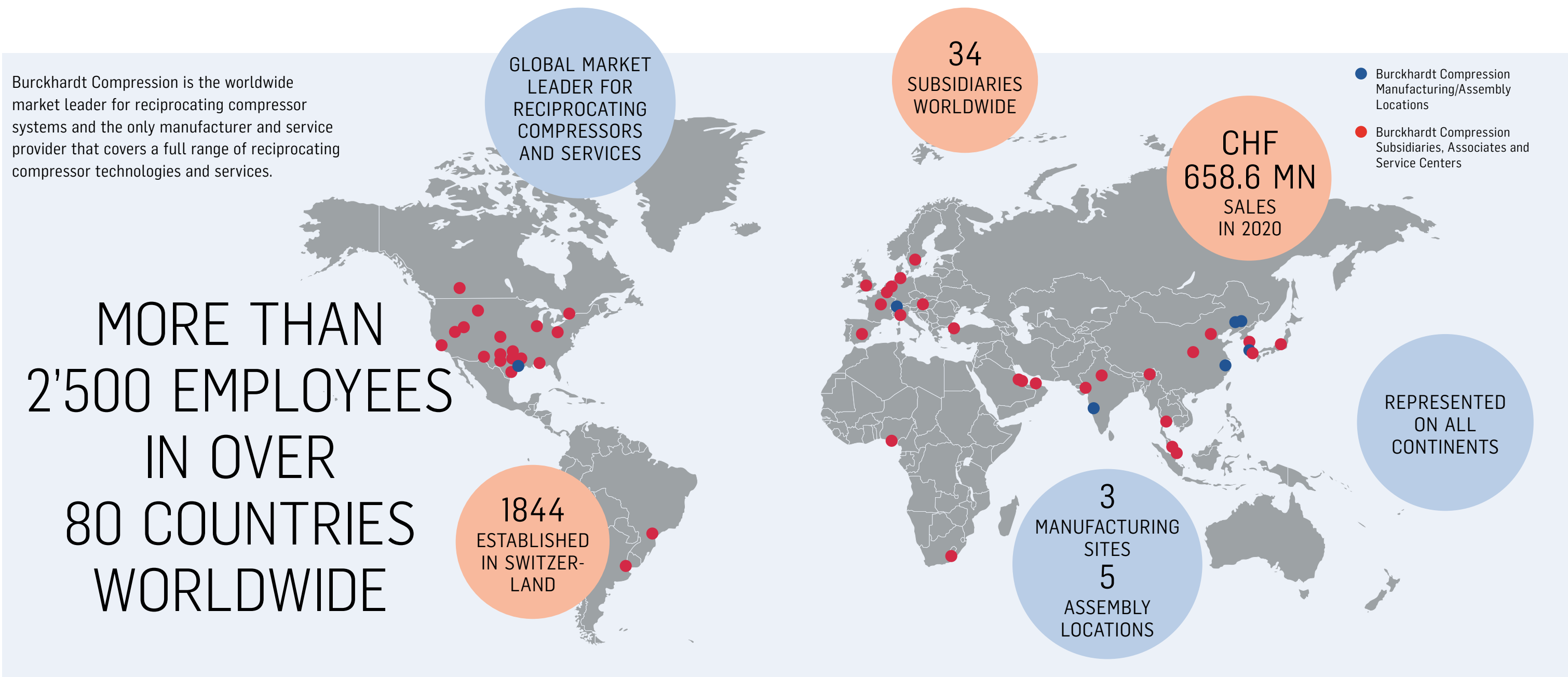
Burckhardt Compression received an order for eight low-pressure compressor systems for the management of boil-off gas (BOG). The systems are destined for two container ships, each with a capacity of 14,000 TEU (20-foot standard containers) and two container ships, each with 690 FEU (40-foot standard containers). All these ships are equipped with low-pressure systems and are being built at a Chinese shipyard, with an option for a further 16 ships.



COMPRESSOR SYSTEM FOR NETWORK OF HYDROGEN FILLING STATIONS IN CALIFORNIA

US company First Element Fuel Inc. is developing a network of hydrogen filling stations in collaboration with the state of California and various industry partners. To this end, the company placed an order with Burckhardt Compression to supply a compressor system for a hydrogen refilling plant in Northern California, which will extend periods between service intervals. The system is being built in Pune, India, with a shortened delivery time to fit with the overall project timetable.

ALWAYS CLOSE TO OUR CUSTOMERS



Its customized compressor systems are used in the gas gathering and processing, gas transport and storage, refinery, chemical, petrochemical as well as in the industrial gas/hydrogen mobility and energy sectors. Burckhardt Compression's leading technology, broad portfolio of compressor

components and full range of services help customers around the world find the optimized solution for their reciprocating compressor systems. Since 1844 its highly skilled workforce has crafted superior solutions and set the benchmark in the gas compression industry.

VISION

We are our customers' first choice for gas compression solutions across the entire product life cycle.

MISSION

Systems Division: We provide optimum gas compression solutions for every customer.

Services Division: We love to provide services that matter. Hands-on.

GUIDING PRINCIPLES

In response to the Group's substantial growth in recent years and its ongoing internationalization, Burckhardt Compression has developed a uniform "Values and Behaviors" document. This sets out the basic principles of our corporate culture and takes into account the intensified

virtual way that our various global subsidiaries and sites collaborate with each other. In this context it is vital that all our employees share a common understanding of the values and principles that guide our actions.

CUSTOMERS

Our customer base includes some of the largest, most famous, and most innovative companies in the world. We serve

- energy companies,
- natural gas transportation and storage companies (onshore and offshore)
- customers in the marine sector

- H₂ processing industries
- petrochemical/chemical companies
- industrial gas companies
- general engineering companies that design and construct production lines or entire plants for our end customers

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TO OUR SHAREHOLDERS

DEAR SHAREHOLDERS

Despite the coronavirus pandemic, 2020 was characterized by higher sales, a further improvement in operating income and a clear year-on-year increase in net income. Order intake also went up in spite of the challenges. The company was quick to activate a comprehensive crisis management program, allowing it to counter the effects of the coronavirus pandemic effectively. Its highest priority at all times has been to safeguard the health of its employees and their families, as well as that of its customers and business partners.

Markets recover at different speeds

Temporary lockdowns in all parts of the world dominated the entire 2020 fiscal year. Asian markets, especially China, but also Central Asia, recovered the fastest. European business also regained ground and produced interesting contracts for us. The USA was comparatively hard hit by the pandemic-related economic downturn and only slowly began to recover toward the end of the 2020 fiscal year.

Group: further improvement in profitability

Despite the coronavirus pandemic, Group order intake in 2020 rose 11.4% year-on-year to CHF 676.6 mn – or 8.5% before the acquisitions of Arkos Field Services (Arkos) and the compressor business of The Japan Steel Works (JSW). Sales for the 2020 fiscal year amounted to CHF 658.6 mn, an increase of 4.6% on the previous year (1.6% before acquisitions). Gross profit increased by 10.9% to CHF 166.2 mn, giving a higher gross profit margin of 25.2% (previous year 23.8%).

Consolidated operating profit (EBIT) rose to CHF 60.8 mn (previous year CHF 54.8 mn), representing an EBIT margin of 9.2% (previous year 8.7%). Group net income came to CHF 47.2 mn, beating the prior-year figure of CHF 39.9 mn by a substantial 18.4%. Owing to the improved financial results and the acquisition of all the remaining shares of Shenyang Yuanda Compressor in January 2021, earnings per share for shareholders in Burckhardt Compression Group increased significantly from CHF 9.56 to CHF 13.00.

Selling, marketing and general administrative expenses amounted to CHF 93.1 mn (14.1% of sales). Despite the inclusion of a full year of Arkos Field Services (previous year only four months), this is CHF 0.1 mn less than in fiscal year 2019. Research and development expenses rose by CHF 4.8 mn to CHF 15.4 mn due to the higher number of ongoing projects, including those involving innovative applications such as new marine solutions and H₂ mobility and energy. Other operating income came to CHF 3.1 mn. This reduction of CHF 5.6 mn compared to the previous year is largely attributable to currency translation effects and lower state subsidies in China.

Total assets at the end of March 2021 amounted to CHF 797.5 mn, which is 9.7% lower than at the end of March 2020 (close of the 2019 fiscal year). This reduction was mainly due to a reduction of property, plant and equipment as well as inventories.

The net financial position at the end of the 2020 fiscal year amounted to CHF –82.4 mn (CHF –91.7 mn at the close of the 2019 fiscal year). Work in progress pre-financed by customer advance payments improved to CHF 11.5 mn from CHF –47.0 mn at the end of March 2020. The equity ratio lowered to 27.5% (previous year: 36.0%) mainly as a result of the derecognition of minorities from the acquisition of the remaining 40% of Shenyang Yuanda and the goodwill offset from the acquisition of the JSW compressor business.

Systems Division: Higher order intake, increased sales and significantly higher EBIT

After a weak first half, order intake at the Systems Division increased significantly in the second half of the year to reach CHF 404.6 mn (+12.0%, no impact from acquisitions). This will lead to much higher capacity utilization in the second half of the 2021 fiscal year. Owing to the high backlog in recent years, sales during the 2020 fiscal year increased by 5.5% (no impact from acquisitions) to CHF 409.8 mn. Gross profit went up 38.1% to CHF 59.1 mn, resulting in a gross profit margin of 14.4% (previous year 11.0%, incl. final additional costs incurred in the LNGM business). The division more than doubled its EBIT margin from 1.7% in the previous year to 3.9% for the 2020 fiscal year. As expected, the figure was much lower in the second half of the year than in the first.

Services Division: Higher order intake and sales, slightly lower EBIT

Order intake at the Services Division rose to CHF 272.1 mn, which is 10.5% higher compared to the previous year (increase of 3.1% before acquisitions). The prior-year figure does not include the compressor business of JSW and only includes four months of Arkos. As already mentioned in the half-year report, the order intake figure includes several major orders in the engineering/revamp/repair sector, as well as one order for a 10-year service partnership in the marine business. Pandemic-related travel restrictions had a significant impact, especially in the first quarter of the financial year. They had a particularly strong effect on the field services business and on the Service Centers, some of which had to be closed temporarily. In the USA, the unfavorable business environment was made even worse by the coronavirus, leading to a significant drop in demand in segments traditionally targeted by Arkos. Their downstream business, by contrast, expanded slightly.

Sales in the Services Division grew by 3.1% (–5.1% before acquisitions) to CHF 248.8 mn. As expected, profit margins in the second half of 2020 were higher than in the first half but could not match the previous year's figures. Gross profit remained almost unchanged at CHF 107.1 mn (previous year CHF 107.0 mn). The division's gross profit margin slipped from 44.3% to 43.0%, mainly because of margin dilution resulting from the Arkos consolidation. EBIT fell by CHF 3.5 mn and includes a negative contribution from Arkos of CHF –2.0 mn. The EBIT margin decreased from 22.7% to 20.6%, mainly due to

lower sales in the wake of the coronavirus pandemic, especially in Field Services, and to the temporary closure of some Service Centers. This inevitably led to lower gross profit as well as reduced capacity utilization.

Acquisitions

The organizational integration of Arkos Field Services is on track despite corona-related restrictions. In addition to structural adjustments, two underutilized and unprofitable sites were closed. Arkos will continue to expand its downstream business in order to improve profitability. The results of the subsidiaries in the US include a contribution from corona-related government support programs.

Following the completion on schedule at the end of September 2020 of Shenyang Yuanda Compressor's new factory in Shenyang, China, we acquired the remaining shares of Shenyang Yuanda Compressor in February 2021, so the company is now a wholly-owned subsidiary. The change of management went smoothly, as did further operational integration of the business into the Chinese and global management structures.

On April 21, 2020 we completed the acquisition of JSW's global compressor business, and we are now in the final phase of its integration.

Main application areas and innovations

Business with the petrochemical/chemical industry, gas transport and storage, and industrial gas has recovered and returned to pre-pandemic levels. We also took further orders in the LNGM and LPGM maritime sector and achieved initial successes with our newly developed compact marine compressor.

Hydrogen Mobility and Energy – an application area that is growing in importance for us – saw a substantial increase in activity during the 2020 fiscal year. Some orders have already been taken for H₂ mobility and energy applications.

Accelerated digitalization

The pandemic has given further impetus to the process of digitalization. Customer acceptance test for example took place over video for the first time. Owing to the travel restrictions, our engineers conducted all the required tests on compressors in the workshop. Acceptance inspectors then assessed the results over video. Burckhardt Compression also developed Remote Support service that was put into practice with a first customer. The service will be fully integrated into the service portfolio from 2021. It allows customers to request support from our experts via Hololens – augmented reality smart-glasses – or tablets, and is ATEX-compliant in environments where there is a risk of explosion. The experts direct local maintenance crews and issue precise instructions for each subsequent stage in the process. This is another facility that helps us provide customers with access to our expert knowledge any-time and from anywhere. Demand for digital services is growing all the time, and we will continue to expand these.

Expanded focus on sustainability and ESG

Burckhardt Compression has a consistent and comprehensive commitment to sustainability, which is reflected in its strategic objectives as well as in its operating business. We are aware of our economic, social, and environmental responsibilities. We are further developing a sustainability strategy for the coming years. Based on a materiality analysis, we have augmented and expanded our previous goals, which focused mainly on improving the product portfolio, services, and our attractiveness as an employer. The next annual report will be the first to include a Sustainability Report that will be revised and structured in accordance with international standards and that takes account of various ESG (environmental, social and governance) ratings.

Outlook for the 2021 fiscal year as a whole

Based on expected delivery dates for orders received in fiscal years 2019 and 2020, we currently expect group sales of between CHF 620 mn and CHF 650 mn for fiscal year 2021 as a whole, as well as slightly higher profit margins compared with the previous year. This is based on the assumptions that there is no further major outbreak of the coronavirus in markets relevant to Burckhardt Compression and that the economic recovery continues.

Due to the distribution of order intake in the Systems Division in fiscal year 2020, sales in 2021 will be second-half loaded. Since the coronavirus impacted the order intake in the first half of fiscal year 2020 significantly, sales for the same period in 2021 will be lower.

We expect the Services Division to record greater order intake as well as higher sales in the 2021 fiscal year following the easing of travel restrictions. The field service business and our Service Centers in particular will see better capacity utilization, while profitability at Arkos will continue to improve.

Mid-Range Plan 2018–2022

Under the assumptions that there is no further major outbreak of the coronavirus in markets relevant to Burckhardt Compression and that the economy will continue to recover, Burckhardt Compression is confirming its sales target for the 2022 fiscal year of CHF 700 mn and its EBIT margin target of between 10% and 15%. We expect the sales split between the two divisions to shift from our original expectation, with the proportion contributed by the Systems Division overtaking that of the Services Division.

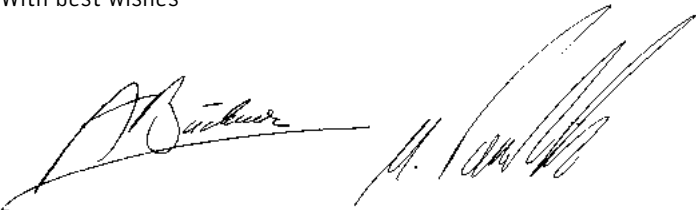
Dividend

The Board of Directors will propose a dividend of CHF 6.50 per share (CHF 6.00 in the previous year) at the annual general meeting. This corresponds to a payout ratio of 50.0% of net income per share (previous year: 62.8%). Due to the desire to strengthen the future equity ratio the payout ratio is at the lower end of the target range of 50% to 70%.

Thanks

Above all we would like to say a big thank you to our employees around the world. The coronavirus pandemic meant that the 2020 fiscal year presented exceptional challenges over and above our normal day-to-day business. Our employees had to show great flexibility as they continued to serve our customers with the least possible disruption. We would also like to thank all of our shareholders and customers for their continued trust.

With best wishes



Ton Büchner
Chairman of the Board of
Directors

Marcel Pawlicek
CEO

Winterthur, June 1, 2021



Ton Büchner



Marcel Pawlicek

FIGURES

		2019	2020	Change 2019/2020
in CHF mn				
Order intake:				
– Systems Division		361.2	404.6	12.0%
– Services Division		246.1	272.1	10.5%
Total		607.3	676.6	11.4%
Sales and gross profit:				
– Systems Division	Sales	388.3	409.8	5.5%
	Gross profit	42.8	59.1	38.1%
	in % of sales	11.0%	14.4%	
– Services Division	Sales	241.3	248.8	3.1%
	Gross profit	107.0	107.1	0.1%
	in % of sales	44.3%	43.0%	
Total	Sales	629.6	658.6	4.6%
	Gross profit	149.8	166.2	10.9%
	in % of sales	23.8%	25.2%	
Operating income (EBIT):				
– Systems Division	Operating income (EBIT)	6.4	16.2	151.2%
	in % of sales	1.7%	3.9%	
– Services Division	Operating income (EBIT)	54.7	51.2	–6.3%
	in % of sales	22.7%	20.6%	
Total	Operating income (EBIT)	54.8	60.8	11.0%
	in % of sales	8.7%	9.2%	
Net income		39.9	47.2	18.4%
in % of sales		6.3%	7.2%	
Depreciation and amortization		20.5	21.1	2.7%
Cash flow:				
– from operating activities		50.7	132.2	160.7%
– from investing activities		–49.7	–40.4	
– from financing activities (incl. translation differences)		6.3	–106.7	
Total		7.3	–14.9	
Total balance sheet assets		883.0	797.5	–9.7%
Non-current assets		234.1	211.0	–9.9%
Current assets		648.9	586.5	–9.6%
Shareholders' equity		317.5	219.6	–30.8%
in % of total balance sheet assets		36.0%	27.5%	
Net financial position (in CHF mn)		–91.7	–82.4	
Headcount as per end of fiscal year (full-time equivalents)		2'621	2'538	–3.2%
Total remuneration Board of Directors (in TCHF)		573	610	6.5%
Total remuneration Executive Management (in TCHF)		2'893	3'147	8.8%
Share price as per end of fiscal year (in CHF)		192.40	315.00	63.7%
Market capitalization (in CHF mn)		654.2	1'071.0	63.7%
Market capitalization/shareholders' equity (ratio)		2.1	4.9	136.7%
Net income per share (EPS) (in CHF)		9.56	13.00	36.0%
Dividend per share (in CHF)		6.00	6.50 ¹	8.3%
Number of issued shares		3'400'000	3'400'000	

¹ Motion to the Annual General Meeting

SUSTAINABLE VALUE CREATION, DRIVING INNOVATION FORWARD

MORE PROJECTS SUCCESSFULLY COMPLETED WITHIN THE SCOPE
OF THE MID-RANGE PLAN

Hydrogen mixtures must be compressed oil-free for many industrial applications to avoid contaminating the gas. However, the absence of oil lubrication reduces the service life of wearing parts and shortens the maintenance cycle. This year, Burckhardt Compression proved that new sealing technologies can solve this issue, thus overcoming an important challenge in the compression of hydrogen mixtures. A compressor with this sealing technology achieved 27'000 trouble-free operating hours at the customer's site, which corresponds to more than three years of operation.





OUR COMPANY

HISTORY

The history of our company begins 177 years ago. Company founder Franz Burckhardt lays the cornerstone of Burckhardt Compression's success on January 9, 1844 with the purchase of a commercial site for the company in Basel. During the founding years, his mechanical workshop makes machines for the textile industry. As the years go by, Franz Burckhardt expands the scope of the company's operations, becoming a general builder of machinery. In 1856, the company starts producing steam-powered machines. Its first reciprocating compressor is designed in 1878 and enters the market in 1883. In 1890, August Burckhardt, the son of the now-deceased company father Franz Burckhardt, establishes "Maschinenfabrik Burckhardt" as a joint stock company to raise capital for the construction of a new factory on Dornacherstrasse in Basel.

Another milestone is achieved in 1913 with the sale of the company's first compressor for producing ammonia synthesis gas. This compressor has a discharge pressure of 300 bar and is delivered to BASF in Ludwigshafen, Germany – a customer that purchased one of Burckhardt's first compressors back in 1885. In 1935, the Swiss company Sulzer delivers its first Sulzer Labyrinth Piston Compressor to the Hürlimann Brewery in Zurich and in 1951 the company receives an order from Imperial Chemical Industries (ICI) for 11 ultra-high-pressure compressors with a discharge pressure of 1,500 bar that will be used to produce low-density polyethylene (LDPE). After years of collaboration between Burckhardt and Sulzer, Maschinenfabrik Burckhardt is acquired by Sulzer in May 1969 and becomes a subsidiary of Sulzer Group. In 1982, in the wake of their greater collaboration, the reciprocating compressor activities of the Sulzer Group are transferred to a single legal entity called Maschinenfabrik Sulzer-Burckhardt AG. In 1994, the merged entity celebrates its 150th anniversary. In 1999, as part of a Group-wide restructuring program, Sulzer decides to consolidate Sulzer-Burckhardt's Swiss activities at the site in Winterthur. The operations in Basel are moved to Winterthur and the building on Dornacherstrasse in Basel is sold.

In 2000, Sulzer decides to focus its activities on four divisions. Sulzer-Burckhardt is put up for sale because it does not fit with the new strategy. Together with the financial investor Zurmont Finanz AG, five members of the Executive Management of Maschinenfabrik Sulzer-Burckhardt AG buy out the company on April 30, 2002. In the wake of the management buy-out, Sulzer-Burckhardt's name is changed to Burckhardt Compression in May 2002. In 2006, Zurmont decides to sell its shares in Burckhardt Compression by means of an IPO. The company is listed on the SIX Swiss Exchange on June 26, 2006 and it ranks among the 100 largest listed companies in Switzerland by market capitalization at the end of 2019.

In 2015, Burckhardt Compression purchases a 40% interest in Arkos Field Services, a provider of compressor services in the US, followed by the acquisition of the remaining shares in November 2019. This transaction makes Burckhardt Compression the only independent provider of compressor systems and compressor services serving customers in every segment of the US market – upstream, midstream and downstream.

In May 2016, the Group acquires a 60% majority interest in Shenyang Yuanda Compressor, the number one manufacturer of reciprocating compressor systems in China, followed by the acquisition of the remaining shares in February 2021, giving it 100% ownership.

In June 2016, Burckhardt Compression introduces a divisional organizational structure with two divisions, Systems and Services, with the aim of addressing customer needs even better than before. In December 2017, Burckhardt Compression adopts a Mid-Range Plan for fiscal years 2018 to 2022. It serves as a strategic road map over the five-year period and lays out the company's goals. In January 2019, Burckhardt Compression celebrates its 175th anniversary with guests from the worlds of business and politics as well as science and technology. Special events are organized at Burckhardt Compression's sites around the world during the 2019 fiscal year to thank employees for their dedication and commitment. All employees and their families join in the anniversary celebrations.

In April 2020, Burckhardt Compression acquires the compressor business of The Japan Steel Works (JSW) to further strengthen its global market reach, especially in Japan.

BURCKHARDT COMPRESSION BRAND

Burckhardt Compression and its umbrella brand stand for quality and worldwide leadership in innovative reciprocating compressor systems and technologies. Cutting-edge technology, a vast portfolio of compressors and components and a full range of services make Burckhardt Compression an ideal partner for customers around the world who want highly reliable, custom-tailored solutions for their reciprocating compressor systems. Our collaboration with external and internal customers is dedicated, solutions-oriented, and distinguished by genuine enthusiasm for our reciprocating compressors. The umbrella brand and its corresponding logo in the form of the red-blue, stylized compressor valve plate have been internationally registered for many years.

When making acquisitions, Burckhardt Compression decides during the integration process whether a brand is to be retained or integrated into an existing house brand.

Other brands that belong to Burckhardt Compression Group are:

- **Shenyang Yuanda Compression**, one of the largest manufacturers of reciprocating compressors in China, whose products are mostly sold in its domestic market
- **BCS Compressor**, products made by Shenyang Yuanda Compressor for export markets that leverage Burckhardt Compression's global processes, supply chains and service organization, and cost-effective engineering capabilities
- **Arkos Field Services**, our exclusive services provider in the US
- **CSM**, together with Burckhardt Compression Canada, our services provider in Canada
- **Prognost**, the world's leader in compressor monitoring and diagnostic systems
- **SAMR**, a French manufacturer of sliding bearings

Burckhardt Compression's brand and patent attorneys will vigorously and steadfastly defend the company against any imitations, counterfeiting, or patent infringements. There are clear rules governing the use of Burckhardt Compression brands and their perception is developed and promoted through active usage in our corporate and marketing communication activities.

PRODUCT DEVELOPMENT AND INNOVATION



Innovation management and systematic product development/management serve to strengthen our competitive position and enable us to optimally address new applications for reciprocating compressors by developing and delivering customer-oriented solutions. Burckhardt Compression's prime objective is to develop reciprocating compressors and components that address customer needs and ensure its technology leadership in the market for reciprocating compressors. Quality, technology, materials, and design specifications are geared towards high operational reliability, optimal service intervals, and easy

maintenance – the overall aim being to achieve the lowest possible operating costs. Burckhardt Compression's product development activities have been guided by a stage-gate process for many years. This process is first applied in the idea generation and screening phase and continues during the initial evaluation of product viability and market attractiveness, followed by the elaboration of product performance specifications, market analysis, and then the actual development and subsequent launch of the product. After a product has been successfully developed and placed into operation, a concluding review of the development project is conducted. All stage-gate milestones are subject to approval by the "Innovation Board", which is headed by members of the Executive Management.

MAIN APPLICATION AREAS

Gas gathering and processing

The production of marketable, transportable natural gas begins with pre-processing at the gas field itself using high-speed compressors. These remove condensates, acid gas, mercury, and water from the gas (regeneration gas compressors). Typically such processes produce the corrosive gases carbon dioxide (CO₂) and hydrogen sulfide (H₂S), which are then removed from the process using reciprocating compressors by means of injection into high-pressure disposal wells.

Burckhardt Compression also provides onshore and offshore solutions for various applications associated with gas gathering and processing. Natural gas is transported over long distances to different consumers, which requires compressors to help raise the gas pressure in the pipeline and thereby reduce the volume.

Gas transport and storage

Thanks to its high availability, cost-effectiveness, and relatively low CO₂ emissions when burnt, increasing demand for natural gas is expected in the medium term. If natural gas were used to replace coal in electricity generation, and to replace liquid fossil fuels (diesel, gasoline, and oil), global CO₂ emissions would be reduced by around 25%. More stringent emissions regulations (e.g. on sulfur emissions), especially in the maritime industry currently, provide additional incentives to switch to natural gas as a fuel. Liquid natural gas is increasingly being used as propulsion fuel for LNG (liquefied natural gas) carriers, merchant ships, and cruise ships. Growing demand and the development of new sources of natural gas are increasing the volume of international trade in natural gas, so transport and storage volumes are rising as well. This is especially evident in the non-pipeline mode of gas transportation via LNG carriers, which offers greater flexibility and avoids the geostrategic risks associated with gas pipeline infrastructure.

More than 40% of total natural gas transport volumes traded and transported worldwide is liquefied, which reduces gas transport volumes by a factor of 600. The LNG process chain begins with the extraction, purification, and liquefaction of the natural gas, followed by ship loading, transportation, and subsequent off-loading, then storage and re-gasification, and, ultimately, injection into a gas distribution grid. Burckhardt Compression offers unique solutions for compressing and reli-quefying boil-off gas (BOG) from liquid gases, for gas injection systems for two- or four-stroke marine diesel engines, and for recovering or storing natural gas and other hydrocarbons at onshore or offshore installations.

Refinery

Crude oil is processed into products such as gasoline, kerosene, diesel, heating oil, liquefied petroleum gas (LPG), and solvents and lubricants for a wide range of applications. Despite the electrification of cars, worldwide demand for these products is expected to continually grow over the medium term and most of the growth in demand will mainly come from non-OECD countries, especially in Asia. Additional factors encouraging investment in the refining industry are more stringent environ-mental regulations, cost-cutting pressure, plant expansion trends, the need to process both lower-quality grades of crude oil, and, in technologically more advanced processes, heavy petroleum by-products. New refineries are being built in areas where additional processing capacity is needed. For state-owned refineries, strategic issues regarding location and supply security are also of considerable importance. Burckhardt Com-pression offers Process Gas Compressors with the highest pos-sible availability and lowest life cycle costs for all relevant oil refining processes that require gas (mostly hydrocarbon gas/ hydrocarbon mixtures).

Petrochemical/chemical industry

The production of a vast range of petrochemical and chemical products such as polyolefins (polymers), lacquers, synthetic rubbers, adhesives and dyes, solvents, paints, fertilizer, deter-gents, and textiles entails, among other things, the processing of oil, natural gas, and even coal. Demand for petrochemical and chemical products, especially for polyolefins, is expected to steadily increase worldwide over the long term. Chemical recycling, which breaks petrochemical products down into the original gas, will not significantly affect our sales markets, as reciprocating compressors are still needed to make recycled petrochemical products. In this application area, too, compa-nies will continue their efforts to reduce costs by replacing smaller scale plants with larger ones, establishing strategic production sites, and extending value-added chains. An addi-tional source of growth is the growing production of natural gas

from shale formations worldwide. In terms of potential, the USA is the leading market in this segment. Burckhardt Com-pression offers several product lines with individual, reliable and benchmark-setting reciprocating compressor solutions for a broad spectrum of applications.

Industrial gas/H₂ mobility and energy

Industrial gases such as argon, helium, carbon dioxide, carbon monoxide, oxygen, nitrogen, and hydrogen are produced in air separation or hydrogen generation plants. The end market for industrial gases is quite broad, encompassing industries as diverse as metalworking and metallurgy, chemical companies, energy technology, food manufacturing, green technology, glass, pulp and paper manufacturing, electronics, construction, rubber and plastics processing, and healthcare. Growth drivers are regional growth and industry-specific growth. The produc-tion of hydrogen for the energy (refineries) and transportation sectors is presumably a particularly fast-growing section of this market. Demand for ultra-pure high-pressure hydrogen for fuel cells is increasing rapidly. Burckhardt Compression, with its oil-free compressors, offers great experience and a wide product range in precisely this area.

COMPRESSOR SYSTEMS

Burckhardt Compression's reciprocating compressors lie at the heart of the compressor systems used in large-scale process-ing plants.

Laby® – Labyrinth Piston Compressors

The Labyrinth Piston Compressor offers unrivalled reliability and availability thanks to the unique labyrinth sealing system on its piston and piston rod gland, which enables oil-free and contact-free compression.

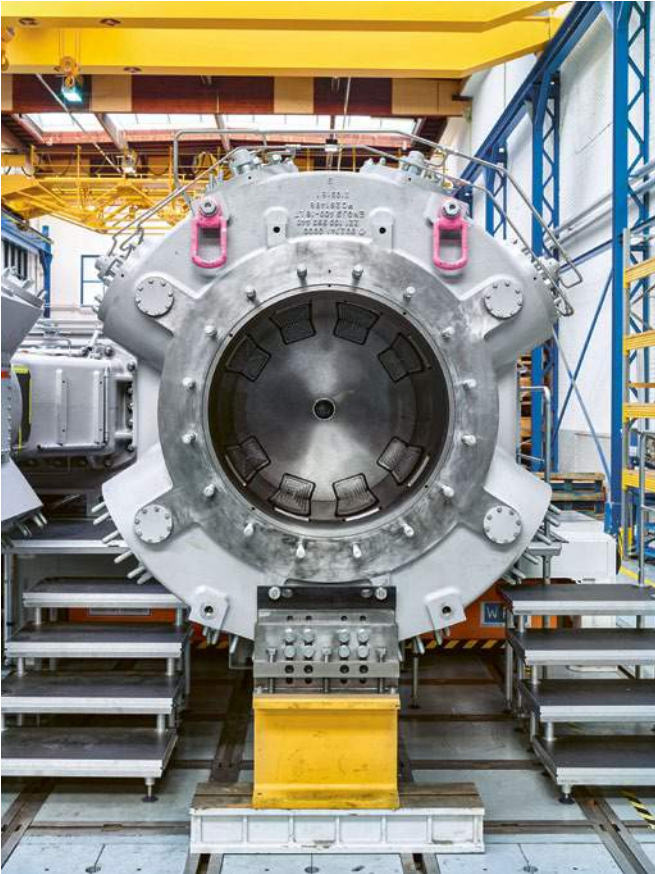
The result is a longer service life, which has a positive impact on overall reliability and operating costs. This prevents piston ring debris from contaminating the gas as well as fric-tion-induced hot spots. The Laby® Compressor is designed to compress bone-dry, dirty, abrasive and other gases. The gas-tight casing reduces gas emissions and losses to the environ-ment to virtually zero. The Laby® Compressor easily manages the compression of LNG boil-off gas at suction temperatures down to minus –160 °C (–250 °F).

Laby®-GI Compressors

The Laby®-GI Compressor has a fully balanced design that eliminates unbalanced moments and forces, so it can be used on offshore vessels and installations. Strict guidelines on max-imum allowable vibration levels on deck structures must be

observed for such applications. The Laby®-GI Compressor is mainly used for the compression of LNG boil-off gas. The unique combination of labyrinth seal design and tried-and-tested ring seal technology makes Laby®-GI Compressors the solution of choice for both low-temperature and high-pressure applica-tions. The proven technology guarantees maximum efficiency and lowest life cycle costs. Depending on the operating condi-tions, Laby®-GI Compressors can be engineered for lubricated or non-lubricated compression applications.

Process Gas Compressors per API 618



Process Gas Compressors built by Burckhardt Compression are synonymous with unrivald availability and long operating lives. Optimal sizing and the use of top-quality compressor components ensure low operating and maintenance costs. The design, the advanced Swiss technology, and superb quality together with the robust construction translate into excellent reliability and very low life cycle costs.

Our Process Gas Compressors are built to customer-spe-cific application requirements in accordance with the API618 guidelines. Burckhardt Compression offers non-lubricated and lubricated Process Gas Compressors, horizontal and vertical.

They are especially suited to the high-pressure compression of hydrogen, hydrocarbon, and corrosive gases.

In order to satisfy the demanding processes in refineries, Burckhardt Compression has extended its range and now offers a complete portfolio of Process Gas Compressors for refineries. In addition to our premium product line, which focuses on lower-ing operating costs through optimized design and high-quality components, we now also offer a robust, modular and CAPEX-optimized product line. Burckhardt Compression has global engineering and service organizations, and the Group's own cen-ters of excellences leverage those resources to offer compre-hensive solutions that are entirely focused on the needs of the customer.

We have many years of experience with hydrogen compres-sion systems for the refining industry and can now also offer hydrogen compression solutions for the mobility marketplace. These Process Gas Compressors, with lubricated or non-lubri-cated designs, can be operated at standard fuel pressures of up to 500 bar.

Hyper Compressors

The Hyper Compressor is a high-pressure reciprocating com-pressor for low density polyethylene (LDPE) plants with a dis-charge pressure of up to 3,500 bar. Burckhardt Compression has established an outstanding track record with nearly 60 years of experience in building this type of compressor. They are char-acterized by a long operational life and high safety standards, which can be traced to their unique construction design and Burckhardt Compression's global one-stop maintenance and service capabilities.

The most powerful compressor in the world, driven by a 33,000 kW electric motor and compression capacity of 400,000 metric tons of ethylene a year, was built by Burckhardt Compression in 2016. Burckhardt Compression is the world market leader for Hyper Compressors.

Standard High-Pressure Compressors

Burckhardt Compression's Standard High-Pressure Compres-sors are extremely robust and reliable reciprocating compres-sors with a compact design and low weight. They are delivered skid-mounted with structural supports that dampen vibrations, so there is no need for a special foundation. Due to the low-pres-sure conditions per compressor speed range, greater piston dis-placement can be achieved at lower compression temperatures. The result is high compression efficiency, low wear and less maintenance expense. The air- and water-cooled compressors are used to compress air, hydrogen, nitrogen, helium, argon, nat-ural gas, and other non-corrosive gases and gas mixtures at land facilities and on ships. The standard high-pressure compressors are smaller than the other compressors in Burckhardt Compres-

sion's portfolio of reciprocating compressors, with a maximum power of 220 kW, maximum discharge pressure of 400 bar and suction volumes of up to 1,500 Nm³/h.

High-Speed Compressors

High-speed compressors are basically process gas processors with shorter strokes and higher rotational speeds (1000–1800 RPM). These compressor systems are used for standardized natural gas production and transport applications, and they are often powered by gas engines instead of electric motors. Due to the short-term nature of planning decisions in this industry, there is a strong desire to keep initial investment costs at a minimum. With this in mind, Shenyang Yuanda Compressor launched compressors especially for natural gas production and transport companies. It is now marketed to selected other industries through Burckhardt Compression's distribution channels. Initial project wins in Europe attest to this product's great potential.

Diaphragm Compressors

Diaphragm compressors compress gas by means of a flexible membrane. These membranes are usually metallic and have a limited stroke so tend to be used for smaller quantities. The advantage of this technology is that the gas is hermetically sealed by the membrane during compression, so very high levels of gas purity can be achieved. The technology allows to compress the gas absolutely oil-free up to very high pressures. Burckhardt Compression's diaphragm compressors are produced by Shenyang Yuanda Compressor and are used for small hydrogen fueling stations as well as for the compression of small quantities of pure gas for medical and other purposes.

SERVICE AND COMPONENTS BUSINESS

The Services Division operates as a holistic provider of service expertise for reciprocating compressors and the associated system technology. Its comprehensive range of services is backed by OEM parts with high supply readiness and vast engineering know-how, from simple modifications to extensive retrofit and revamp projects, as well as turnkey solutions. Experienced field service technicians ensure close interaction with the customer and rapid response. Service Centers around the world also handle repairs of all kinds. Depending on the size of the project and site, Burckhardt Compression also offers 24/7 shift operation, so production systems can be put back into operation even faster. We also provide reliable, expert monitoring and diagnostic solutions as well as advisory services, all from a single source.

Comprehensive engineering, revamp and repair expertise

The reliability, availability and cost-effectiveness of reciprocating compressor systems, and their compliance with current and foreseeable environmental and emission regulations are crucial, which is why operators of these systems appreciate partners who can offer them know-how and sound advice. Burckhardt Compression stands out from other manufacturers and service providers because of its comprehensive in-house expertise. A wide range of complementary services are offered individually for all brands of reciprocating compressors and their auxiliary systems. Our internal specialists come from various technical fields and use proprietary, advanced software tools to model, calculate, and optimize reciprocating compressor performance, regardless of make or brand. They are capable of resolving even highly complex technical problems cost-effectively and efficiently. A highly motivated team carries out revamp projects of any complexity to the full satisfaction of customers and can prolong the operating life of older compressors by retrofitting them with the latest technology. This range of services also includes a valve service, overhaul of compressors and repairs to the current best practice level. This work is done by 50 service workshops around the world.

Original spare parts for optimal compressor operation

Original spare parts backed by Burckhardt Compression's full warranty as an OEM stand for superior quality and ensure low life cycle costs as well as the optimal operation of compressor systems. These top-quality compressor components are tailored to specific system requirements. Compressor components such as valves, seals, and packings are subject to wear and tear, so these parts largely determine the duration of service intervals and operational availability and, ultimately, the overall life cycle costs of reciprocating compressors. Besides operational availability, Burckhardt Compression stands by its commitment to supply compressor parts and components over the long term. This business is being methodically expanded in close collaboration with numerous operators of reciprocating compressors.

Monitoring and diagnosis for superior operational reliability

Preventive services and rapid response times, based on online diagnostic data and analyses, play a vital role in optimizing compressor availability. Reliable condition monitoring and diagnostic systems for reciprocating compressors and equipment, integrated within the top-level systems for monitoring an entire production facility, are effective tools for enhancing the operating safety and prolonging the service intervals of a compressor system. Continuous machine diagnosis detects potential and actual anomalies at an early stage and thus helps to avoid

costly and unexpected downtime. Other advantages include optimization of operating parameters and the central control and monitoring of compressors operating at different sites. The diagnostic systems made by our subsidiary PROGNOST Systems GmbH are designed for use with all types of reciprocating compressors as well as with many other types of rotating machinery. They are backed by unrivaled technology and reliability and deliver value day after day in the oil, gas, and chemicals industries.



Field Service – close to the customer

Geographic proximity, being close to wherever the compressor systems are installed, and cultivating relationships built on trust are likewise vital to Burckhardt Compression's success. More than 300 experts in field service, from engineers to local site managers, provide a rapid response capability that covers all the necessary skills and is notable for a pronounced service mentality. Having a local presence simplifies interaction with the customer, shortens the supply chain, and reduces field service hours. This service network will continue to grow going forward.

Customer training

The objective of our ever-growing range of customer training and learning programs is to foster regular technical exchange with our customers on compressors and their operation, and to pass on Burckhardt Compression's engineering expertise. Theoretical and practical training programs for various types of compressors and for our own and third-party components are offered at the modern training center we have set up in Winterthur, as well as at locations in Korea, China, India, and the USA; we also provide on-site training at customer sites for the systems they have. As part of the digitalization strategy, online training has recently been accelerated to the point that it is already more important than physical face-to-face training. This trend will continue in coming years.

OUR STRATEGY

INTEGRATED BUSINESS MODEL

Integrated business model as the key to our success

Burckhardt Compression's two divisions, Systems and Services, cooperate with each other closely, and between them cover the entire life cycle of reciprocating compressor systems. This means that customers get help and support throughout the whole life of their systems. The company's wide portfolio of services ranges from the supply of new equipment, ongoing servicing and spare parts to complete system overhauls and even repurposing conversions.

Most compressors function as critical components of a larger system with an average life span of 40 years or more, so it is vital to have the support of a large organization that offers expertise in all aspects and has very well trained employees. The key to success for both divisions is a profound knowledge of the requirements of numerous different application areas, and a technical understanding of the systems and individual components.

RESILIENCE

Resilience confirmed in coronavirus pandemic

Burckhardt Compression's business model, based on two strong divisions, proved its worth once again in the exceptional situation caused by the coronavirus pandemic and contributed to the firm's stability. Travel restrictions placed constraints mainly on the Services Division, while the markets in which the Systems Division operates recovered relatively quickly.

The company's deliberate decision to diversify geographically in recent years has also proved correct. Because the Systems Division has production facilities on different continents, the impact of local lockdowns on logistical supply chains and on production itself could be mitigated. The Services Division also benefited from a broad regional presence during the 2020 fiscal year. The effects of travel restrictions remained within bounds thanks to the global network of Service Centers that has been built up and continuously expanded in recent years.

The graphic below shows the entire life cycle of a compressor project, including all project phases and decision-makers. It also displays the interaction between the two divisions and the long-term nature of a compressor project.

BREAKING DOWN THE LIFE CYCLE OF A TYPICAL PROJECT						
Duration	1–3 Years	10–22 Months	1–12 Months	1–2 Months	2 Years (avg)	40 Years (avg)
PHASE	Evaluation and start of construction	Manufacturing of compressor system	Compressor installation	Compressor start-up	Warranty period	Post-warranty
DECISION MAKER	End customer/ EPC/Licensor	End customer/ EPC			End customer	End customer
PROJECT PROGRESSION	Decision to build plant and purchase order	Compressor shipped & transfer of ownership		Product acceptance		Repair & maintenance; structural machine build
DIVISION IN CHARGE	Systems Division		Systems Division and Services Division		Services Division	
REVENUE RECOGNITION			Systems at shipping (depending on incoterms); Services at completion of start-up		Ad hoc	
COSTS	Selling & marketing expenses	Cost of goods sold (COGS)	Cost of goods sold (COGS)			Selling & marketing expenses & COGS
CAPEX	CAPEX relatively stable, not directly linked to projects					
NWC	Fluctuating NWC				Stable NWC	

MID-RANGE PLAN FOR 2018 TO 2022

Burckhardt Compression works with a Mid-Range Plan that is updated every five years. The current Mid-Range Plan covers fiscal years 2018 to 2022. The main objective of both divisions is to further strengthen Burckhardt Compression's market leadership through organic growth and selective acquisitions.

The Systems Division is aiming to improve its profitability while maintaining its global market leadership. Its sales target for 2022 is CHF 340 mn with an EBIT margin of 0% to 5%. We regularly exceeded this sales figure in the years between 2017 and 2020. The postponement of orders in the 2020 financial year will lead to a lower sales figures in fiscal year 2021. Thanks to the good order intake of recent years, Burckhardt Compression believes that sales by the Systems Division in fiscal year 2022 will exceed the target set out in the Mid-Range Plan. The division should also diversify its presence in the various market segments and introduce new applications.

The 2022 sales target for the Services Division, including Arkos Field Services, is CHF 360 mn, but will presumably not quite reach the specified sales number. The target range for its EBIT margin is 20% to 25%. Our focus areas for organic growth are the increasing installed base of own equipment and the service business for compressors made by other manufacturers, primarily of manufacturers that have left the market. Consequently, Burckhardt Compression will launch further operational initiatives, including implementation of global processes, continued expansion of its local and regional presence, and a build-up of its maritime services network.

As set out in the Letter to Shareholders, Burckhardt Compression currently expects sales of between CHF 620 mn and CHF 650 mn in fiscal year 2021 as well as slightly higher profit margins compared with the previous year. This is based on the assumptions that there is no further major outbreak of the corona virus in relevant markets for Burckhardt Compression and the economic recovery continues.

Burckhardt Compression continues to confirm the targets set for the fiscal year 2022 of total sales in the region of CHF 700 million and an EBIT margin for the Group of 10% to 15%. The divisional margins assumed in the Mid-Range Plan remain unchanged; we expect sales in the Systems Division to be higher in fiscal year 2022 than in the Services Division.

ENERGY MIX AND MEGATRENDS

Growth potential supported by megatrends

Various global trends speak in favor of Burckhardt Compression's business model. The transformation of the global energy mix toward natural gas and renewables is being supported by a

huge range of applications and innovations. Sustainable energies and natural gas applications already account for around half of Group sales.

With the global population rising, demand for industrial gases for applications such as fertilizers, medical usage, and food and beverage packaging will also continue to grow. Global demand for petrochemical and chemical products continues to go up, with sustainability aspects such as recycling and the use of alternative raw materials becoming increasingly important to customers. Demand for natural gas as a fuel for mobility, heating, and cooking is rising as the middle class expands in countries all round the world. Hydrogen is becoming more and more important for applications in the mobility and energy sectors, a trend that was confirmed by strong demand in the 2020 fiscal year. Ever stricter environmental regulations for fuels in the marine sector require expensive new production processes. The tightening of emission targets calls for solutions using liquefied natural gas and, increasingly, hydrogen. Burckhardt Compression is very well placed to meet the challenges that lie ahead with new and innovative solutions.

BRAND MANAGEMENT

Burckhardt Compression constantly strives to optimize and strengthen its established brand internationally. Our corporate identity and long-term brand strategy express the organization's values and principles and highlight Burckhardt Compression's position as a unique, long-term partner with a strong Swiss tradition.

The BCS Compressor brand, referring to our Chinese manufactured compressors sold abroad, was further developed during 2020. Digital applications and solutions were presented under the label name "Up! Solutions" and will continuously be developed further.

CUSTOMERS

Burckhardt Compression works hard to nurture customer relationships based on partnership. Both divisions regularly conduct customer surveys in a bid to understand customer needs even better, and such surveys were carried out while preparing the latest Mid-Range Plan. Insights from the surveys and the resulting projects and initiatives were integrated into the Plan.

In 2020, the Services Division conducted a customer survey in 14 languages, which showed a further increase in customer satisfaction. 73% of respondents see Burckhardt Compression as a leading service provider, and for 60% the company is not only the preferred service partner for compressors made by a

Burckhardt Compression itself, but also for those made by other brands.

EMPLOYEES

The number of employees at the end of the fiscal year stood at 2,538, a reduction of 83 from the previous year's figure of 2,621 (full-time equivalents).

At the end of March 2021, 760 employees (30%) were based in Switzerland, 1,119 (44%) in BRIC countries, and 659 (26%) in other countries.

ACQUISITIONS

In April 2020 Burckhardt Compression took over the compressor business of The Japan Steel Works, based in Tokyo, Japan. In doing so, Burckhardt Compression further strengthened its market presence in Japan and globally.

In February 2021, Burckhardt Compression acquired the remaining 40% of Shenyang Yuanda Compressor, the leading manufacturer of reciprocating compressors in China. Burckhardt Compression acquired a 60% stake in the company in 2016, allowing it to enlarge its portfolio of reciprocating compressors and their areas of application, tap into additional supply chains, and reinforce its presence in the important Chinese market.

CAPACITY

In 2020, Shenyang Yuanda Compressor's new factory in Shenyang, China, was completed as planned at the end of September. The new production facility is around 60% larger and replaces the two previous locations. In Sweden, the Service Center originally developed together with our partner Kompressortechnik was completely integrated and is now a subsidiary of Burckhardt Compression. The planned official opening of a new site in Indonesia had to be postponed owing to the coronavirus. The site in Japan was expanded, while component manufacture was strengthened in Shanghai and Canada.

RESEARCH AND DEVELOPMENT

Compressor systems for marine use

In addition to the successful Laby-GI for use on large LNG tankers, Burckhardt Compression launched further solutions for LNG-powered ships during the 2020 fiscal year. Owing to inter-

national regulations on emissions and exhaust fumes, new freight and cruise ships are increasingly being fitted with LNG-based engines. These vessels need small, reliable compressors to process relatively small amounts of vaporizing fuel. Two standardized compressor solutions were brought to the market, both of which have already met with an excellent response.

New solutions for hydrogen applications

Burckhardt Compression refined its solutions for hydrogen as a fuel. Further improvements were made to the sealing systems for oil-free compression of hydrogen at pressures of up to 500 bar. Numerous tests were conducted on these sealing systems, allowing systematic analysis and improvement of the test compressors. Investments were also made to standardize solutions in the various application areas.

Online monitoring and condition-based maintenance

A technical platform was created during the 2020 fiscal year for the online monitoring of customers' compressors, which means that we will be able to offer new service and maintenance concepts.

Improved performance of products for the petrochemical industry

Several successful products were overhauled during the 2020 fiscal year with a view to even greater customer benefits. Thanks to targeted design adjustments, the Hyper Compressor was made even more efficient, for example. Specific improvements have also been made to large Laby compressors in order to address new market requirements. Improvements like this help Burckhardt Compression maintain and strengthen the competitiveness of the relevant products on an ongoing basis.



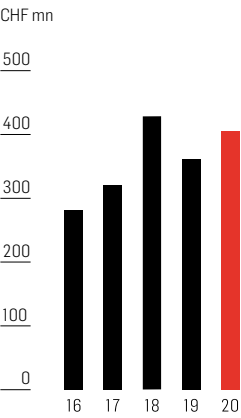
SYSTEMS DIVISION

At the end of September 2020, Shenyang Yuanda Compressor's new plant in Shenyang, China, was completed as planned and in February 2021 Burckhardt Compression acquired the remaining shares in the company. As a result of the investment in Shenyang Yuanda Compressor, additional market segments could be developed, the product portfolio was expanded to cover different market needs, and Burckhardt Compression gained direct access to a well-established local supply chain.

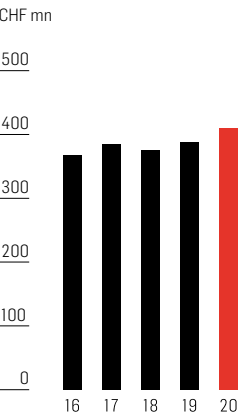


SYSTEMS DIVISION REVIEW OF THE FISCAL YEAR

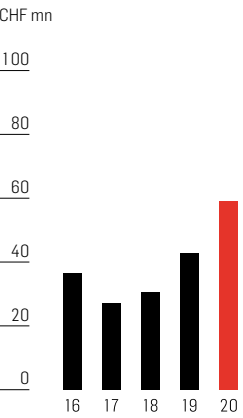
ORDER INTAKE



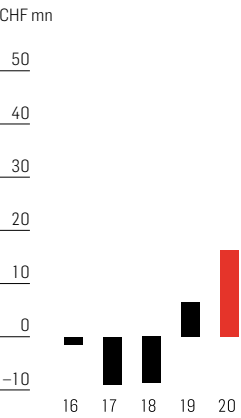
SALES



GROSS PROFIT



OPERATING INCOME (EBIT)



FIGURES

	2018	2019	2020	Change 2019/2020
in CHF mn				
Order intake	428.0	361.2	404.6	12.0%
Sales and gross profit				
Sales	375.4	388.3	409.8	5.5%
Gross profit	30.5	42.8	59.1	38.1%
in % of sales	8.1%	11.0%	14.4%	
Operating income (EBIT)	-8.7	+6.4	+16.2	151.2%
in % of sales	-2.3%	+1.7%	+3.9%	
Headcount at end of fiscal year (full-time equivalents)	1'506	1'517	1'429	-5.8%

After a weak first half, order intake at the Systems Division increased significantly in the second half of the year, resulting in a clear year-on-year rise for 2020 as a whole. This is mainly due to the strong recovery of the Chinese market, as well as the performance of the Petrochemical/Chemical Industry and Gas Transport and Storage sectors. Despite the significantly lower capacity utilization resulting from the temporary drop in order intake, the overall gross profit margin increased more than 3 percentage points compared to the previous year. Sales increased for the year as a whole and the EBIT margin more than doubled. This improved profitability is the result of operational improvements, a favorable product mix with higher margin projects, and the fact that the final additional costs incurred in the LNGM business were lower than in the previous year.

MARKETS

Burckhardt Compression offers compressor system solutions in the following application areas:

- Gas gathering and processing
- Gas transport and storage
- Marine
- Refinery
- Petrochemical/chemical industry
- Industrial gases/H₂ mobility and energy

Despite continued tough competition and the impact of the coronavirus pandemic, Burckhardt Compression kept its leading market position in the 2020 fiscal year. The company won major orders for LDPE lines and LNG terminals in China. In South Korea, we gained a large contract for a hydrogen liquefaction plant. A customer from Singapore ordered eight low-pressure compressor systems for new container ships in order to reduce its sulfur dioxide and CO₂ emissions. In the refinery sector an order was acquired for a hydrocracking plant in North Africa.

Gas gathering and processing

Investment levels continued to fall in this application area owing to lower crude oil and natural gas prices.

Gas transport and storage

The LNG (liquefied natural gas) market continued its positive trend, opening up further potential market opportunities for Burckhardt Compression. The increasing importance of large LNG tankers reflects growing global demand for cleaner and cost-efficient energy. Operators of both freight and cruise ships are having to meet ever more stringent environmental standards. Much stricter limits were introduced last year on emissions of nitric oxide and sulfur, for example. Burckhardt Com-

pression has carved out a large market share in the LNG-fueled ship sector in recent years: alongside solutions for ME-GI engines, the company has been providing products for X-DF engines for some time now. Both systems allow ship operators to switch between diesel fuel injection, and injection of the boil-off gas that is already produced on board. The new products we launched for marine applications during the 2020 fiscal year – for LNG tankers as well as for commercial and cruise ships – were very well received by the market.

Refinery

Lower oil consumption prompted numerous companies in this sector to review expansion plans and postpone previously announced projects. Towards the end of the year, however, some companies launched projects to help them comply with stricter environmental standards. The pressure on margins among refinery operators is favoring the trend towards integrated production concepts along the whole value chain. Major nations are also planning to reduce their dependency on imported refinery products by increasing the proportion of local value creation. This will benefit the compressor business.

Chemical and petrochemical industry

The dominant factor in this application area is the growing worldwide demand for products made of industrial plastic, which is driving an expansion of production capacities, combined with a trend towards greater local value creation, not least in China. This should mean that order intake will rise in coming years. The lower consumption resulting from increased recycling of everyday products is more than offset by greater demand for high-end plastic products.

Industrial gas/H₂ mobility and energy

Experience shows that the various client industries in this sector grow more or less in line with global GDP. Plans to reduce CO₂ emissions and the desire to switch to greener energy led to growing interest in the use of hydrogen as a fuel. Hydrogen could potentially make a large contribution to the decarbonization of the economy, impacting everything from transport to steel production. Accordingly, researchers and practitioners have launched numerous initiatives and specific projects aimed at the further development of this energy carrier. Compressors play a key role in the hydrogen logistics chain. Burckhardt Compression has decades of experience in hydrogen compression and has been offering specific solutions for this type of application since 2019. It is not yet a mature market, but the long-term potential is enormous.

DISTRIBUTION

The switch three years ago to selling new machines through a decentralized structure with regional responsibility for customer relationships and project negotiations (Front Sales), combined with regional centers for the preparation of technical offers (Application Engineering), has continued to prove successful. With growing interest in solutions for H₂ mobility, Burckhardt Compression significantly intensified its sales activities during the 2020 fiscal year, particularly in Western Europe and North America.

INFRASTRUCTURE

Shenyang Yuanda Compressor's new factory in Shenyang, China, was completed as planned at the end of September 2020 despite a six-week break prompted by the coronavirus pandemic. It replaces the two previous sites and is around 60% larger. The new factory is an investment in the future of our systems business. It allows us to structure our workflows and processes in accordance with the latest standards, thus making our operations even more efficient.

OUTLOOK

The Systems Division defended its leading market position in the 2020 fiscal year. There were various new compressor developments – including an oil-free high pressure Laby compressor for LNG tankers with high pressure systems, and a new compact Laby compressor for low pressure systems on LNG tankers, freighters, and cruise ships – which helped us to improve our leading position in the marine sector still further. The increasing standardization and modularization of different products allows us to further optimize costs. Thanks to its many years of experience with hydrogen and its wide range of products, Burckhardt Compression is able to take a leading role in the rapidly growing market for H₂ mobility and energy.

Viewed by area of application, the Gas Gathering and Processing sector should see somewhat higher levels of investment now that crude oil and natural gas prices are up again and consumption is rising. Within the Gas Transport and Storage sector, the continuing, and recently even stronger, trend toward more environmentally friendly and cost-effective energy should ensure a positive performance. With projects deferred in the fiscal year 2020, the Refinery business is likely to experience some catch-up demand this year, supported by efforts to comply with stricter environmental standards. Turning to the Petrochemical/Chemical Industry, order intake is expected to rise

over the coming years as demand grows for industrial plastic products. The Industrial Gases/H₂ Mobility and Energy sector is diverse, but ultimately it is heavily influenced by global economic growth, which should rise again once the coronavirus pandemic is under control. Hydrogen solutions for mobility and energy, which Burckhardt Compression also offers, are set to become increasingly important.

The lower order intake of the Systems Division in the first half of fiscal year 2020 will create significantly weaker first half-year sales in fiscal year 2021. The higher second-half order intake in the fiscal year 2020 of the Systems Division will only materialize in sales for the second-half of fiscal year 2021 and beyond.



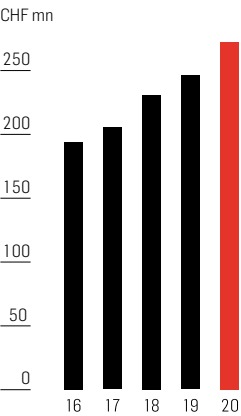
SERVICES DIVISION

Digitalization took a major step forward in the 2020 fiscal year. For the first time, customer acceptance tests were carried out over video, as the acceptance inspectors were unable to be on site due to travel restrictions. A Remote Support service was also developed and put into operation for a first customer.

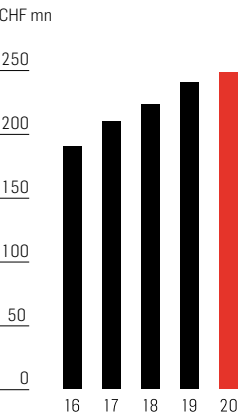


SERVICES DIVISION REVIEW OF THE FISCAL YEAR

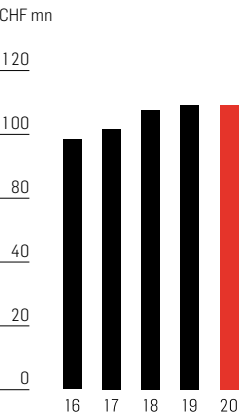
ORDER INTAKE



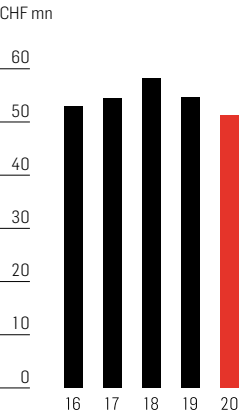
SALES



GROSS PROFIT



OPERATING INCOME (EBIT)



FIGURES

	2018	2019	2020	Change 2019/2020
in CHF mn				
Order intake	230.7	246.1	272.1	10.5%
Sales and gross profit				
Sales	223.9	241.3	248.8	3.1%
Gross profit	105.2	107.0	107.1	0.1%
in % of sales	47.0%	44.3%	43.0%	
Operating income (EBIT)	58.2	54.7	51.2	-6.3%
in % of sales	26.0%	22.7%	20.6%	
Headcount at end of fiscal year (full-time equivalents)	830	1'093	1'095	0.2%

Order intake was up significantly at the Services Division during the 2020 fiscal year, primarily as a result of the Arkos acquisition, while sales were at the same level as the prior year. The EBIT margin was slightly lower, mainly because of reduced capacity utilization in the Field Services sector in the wake of the coronavirus, and the partial closure of various Service Centers because of the pandemic, as well as the dilutive effect from the Arkos acquisition.

MARKETS

The acquisition of the global compressor business of The Japan Steel Works Ltd. (JSW) was completed in April, and integration is currently in the final phase. The acquisition significantly strengthens Burckhardt Compression's market presence in Japan and reinforces its global leadership position. Several orders were gained in Japan and neighboring regions.

Despite the great challenges created by the coronavirus, the integration of Arkos Field Services and the structural and organizational changes are on track. Arkos will continue to optimize its mid-stream business and grow the downstream business, thus improving profitability. Results in the USA include a contribution from corona-related government support programs.

Some more new long-term service contracts were won during the 2020 fiscal year; these will impact positively on sales in the years to come and increase planning certainty. Particular mention should be made of a contract signed with BW LNG for a 10-year service partnership covering nine LNG tankers. Burckhardt Compression is benefiting here from a clear trend among customers to seek out not just a supplier but a competent partner that can offer a full range of services. Our service portfolio and customer care offering were further optimized to meet customer requirements, resulting in a positive order intake.

Spare Parts

The Spare Parts business posted further growth, with demand increasing for spare parts for compressors made by Burckhardt Compression as well other brands. One trend seen for some time now is certainly good news for Burckhardt Compression: spare parts for its own compressors as well as those made by other manufacturers are increasingly purchased together with service packages. The market continues to respond favorably to the strengthening of our business with third-party products, especially when this is combined with the offer of additional services.

Engineering/Revamp/Repair

Burckhardt Compression won several major orders, leading to a significant rise in order intake. However, pandemic-related travel restrictions had a clear negative impact on capacity utilization. Long-term service orders, which provide a solid platform for the further strengthening of the entire service business, are increasingly significant in this sector, as are complex engineering solutions for turnaround (TAR) projects. The repair business in our Service Centers around the world will also benefit from the recently completed standardization of repair standards across the group.

Field Service

Inevitably, this area also suffered from coronavirus-related mobility restrictions, resulting in underutilization of capacity. In the USA, the unfavorable business environment caused by the pandemic, allied with marked price falls in the energy sector, led to significantly reduced demand in the traditional midstream business at Arkos, though it slightly expanded its downstream business.

Monitoring/Diagnostics

2020 saw the launch of new monitoring systems that allow preventive service interventions based on the condition of the system rather than on time intervals. The Monitoring/Diagnostics sector of Prognost also saw orders deferred because of the pandemic.

SALES FURTHER STRENGTHENED

As in 2019, the ongoing drive to increase the efficiency of marketing processes by developing regional marketing structures remained a priority in 2020. The highly qualified local Field Service Representatives and local Repair Centers are responsible both for customer care and for evaluating local market opportunities.

The aim of the partnership model introduced in the previous year is to offer service capabilities close to customers, especially in small but fast-growing markets, while limiting the amount of investment required. Regional and global Engineering Services offer substantial support for local service provision, which allows Burckhardt Compression to be a service partner for the entire service portfolio.

NEW SERVICE CENTERS

In Sweden, the Service Center originally developed together with Kompressorteknik has been a subsidiary of Burckhardt Compression since the 2020 fiscal year. The planned official opening of a new site in Indonesia had to be postponed owing to the coronavirus. The site in Japan was expanded while component manufacture was strengthened in Shanghai and Canada.

OUTLOOK

The Services Division continued to expand its service capabilities as well as reducing its response times for service provision even further by improving processes and focusing rigorously on customers. This was confirmed during the fiscal year 2020 by our latest customer survey, which also indicated that customer satisfaction in general continues to rise. In 2020, the Services Division was also able to sign new long-term service agreements for ships, thus further expanding its service business in the marine sector.

The underlying attractive growth prospects for the Service business remain unchanged:

- more and more customers are outsourcing their service operations. Suppliers are increasingly becoming service partners.
- The inventory of installed compressor systems made by Burckhardt Compression continues to grow.
- Customers are seeking efficiency gains to make themselves more competitive. This requires retrofitting and conversions, not least driven by the need to comply with environmental regulations (efficiency improvements and emissions reduction)
- Preventive maintenance based on continuous monitoring of systems is growing in importance.

We believe, therefore, that demand for comprehensive services from a single source will grow more strongly than the direct spare parts business. Customers increasingly expect engineering solutions, competent advice on site and tailor-made maintenance strategies, even for older installations.

Our focus areas for organic growth are the increasing installed base of own equipment and the service business for compressors made by other manufacturers, primarily of manufacturers that have left the market.

The large number of LNG ships commissioned in recent years now require increasing amounts of servicing and spare parts, which creates additional potential business for Burckhardt Compression. The most interesting potential lies in the provision of long-term service agreements tailored to the whole compressor life cycle. Geographically, the best growth oppor-

tunities are in the Asia-Pacific region, but also in Europe thanks to the large number of marine customers domiciled there. In North America, Burckhardt Compression will benefit from the expansion in service activities brought by the integration of Arkos.

Preventive maintenance combined with monitoring solutions will also generate promising growth opportunities. New impetus is also expected to come from support solutions in the natural gas and hydrogen sector. Digitalization will be harnessed systematically for new services and applications. The main aims here are to make further progress on the availability and use of operational and customer data, to make communication more transparent, and to optimize business processes. During the year under review, for example, the range of services was successfully enhanced by a "Remote Assist Service". Thanks to state-of-the-art technology, customers can use this service to request support from Burckhardt Compression experts, who will analyze the issue and give instructions to our local crew. The electronic customer portal was also improved during the year under review.

The successes achieved so far show that the Services Division is on the right track. The expansion of our service presence, engineering, and project management capabilities has been particularly well received.

We expect the Services Division to record greater order intake as well as higher sales in the 2021 fiscal year following the easing of travel restrictions. The field service business and our Service Centers in particular will see better capacity utilization, while profitability at Arkos will continue to improve.



SUSTAINABILITY

In the 2020 fiscal year, activities in the field of hydrogen increased substantially and this application area is expected to play an increasingly important role. A number of orders have already been received for hydrogen mobility and energy applications, such as compressors for a hydrogen filling station network in California, US.



SUSTAINABILITY REPORT

COMMITMENT

Burckhardt Compression has made a long-term commitment to the economy, society, and the environment. The aim is to create the framework at all levels to continue the company's 177-year history of success. This can only be achieved if a balance is found between the different interests of individual stakeholders.

For Burckhardt Compression, the 2020 fiscal year marked the start of a systematic evolution in its sustainability approach. Sustainability activities are being expanded and focused more strategically. A materiality analysis involving the most important stakeholders was conducted as part of this process. The results and an outlook are presented at the end of this Sustainability Report. One milestone in this evolution will be a more comprehensive Sustainability Report that follows international standards and will be published for the first time alongside the 2021 Annual Report.

Burckhardt Compression adjusted and recertified its health and safety system while also evolving its environmental management system. In addition, findings from the employee survey were translated into workshops, initiatives and projects designed to further improve employee satisfaction.

Burckhardt Compression's sustainability credentials are evaluated by an external specialist (GAM) on a regular basis. During the latest assessment in 2018 we again achieved our goal of exceeding the average rating for a selected group of comparable Swiss companies.

STAKEHOLDERS AND RISK MANAGEMENT

Burckhardt Compression aims for a prudent and holistic approach. The appropriate involvement of the different stakeholder groups plays a central role here, as does integrated risk management. In addition to the specific involvement of the individual groups, in the 2020 fiscal year Burckhardt Compression began to establish a Speak Up channel (grievance channel) for all internal and external stakeholders. This complaints system can be used to report violations of our values and behavioral guidelines and is hosted by a third party. The system will be launched in the following reporting year.

Investors

Burckhardt Compression maintains open and transparent dialog with its investors and interested parties. The aim of Investor Relations is to accurately portray the company and its markets to enable a fair valuation of Burckhardt Compression stock. The company's third Investor Day was held in Winterthur in November 2020. Among other things, the company presented its focus

points for sustainable value creation for all stakeholders within the current Mid-Range Plan period and beyond.

Burckhardt Compression's investor relations activities are evaluated by independent firms and receive consistently very good ratings considering the size of the company. Leading Swiss business newspaper "Finanz und Wirtschaft" gives it an A- rating (A being the highest rating) for investor relations and transparency and a B- rating for growth.

In the yearly ranking of annual reports conducted by HarbourClub and business magazine "Bilanz", Burckhardt Compression's 2019 annual report came in at a very good 37th (out of a total of 241 companies) in the "Value Reporting Print" category, and 57th for "Value Reporting Online".

In the 2020 survey of company boards carried out by zRating in collaboration with the newspaper "Finanz und Wirtschaft," Burckhardt Compression scored 28 points and ranked 21st among the 172 Swiss listed companies covered by the survey. This ranking is based on criteria pertaining to board organization, independence, transparency, compensation, and sustainability.

Customers



Burckhardt Compression seeks long-term customer relations. The average useful life of its compressors is 30–50 years. Following the project phase, the company provides its customers with the services and components they need throughout the entire compressor system life cycle. The longest-standing customer relationship dates back to 1885, when the company supplied BASF in Ludwigshafen with one of the first compressors ever built.

Customer satisfaction is measured using various tools. A distinction is drawn between direct and indirect key performance indicators (KPIs). Findings are discussed during the claims and warranties meetings that form part of the management process with the leadership team. Action is initiated and

implemented in accordance with the results. In 2020, customer satisfaction surveys were focused on the Services Division.

Employees

Open dialog with employees is a central priority for Burckhardt Compression and is carried out in all sorts of different ways. In addition to employee surveys and continuous exchange with line managers, employees are informed online several times a year in person by members of the Executive Management about the state of the business and other matters, with opportunities to have questions answered. In Switzerland, France, and India, various other instruments of dialog are used within collective bargaining and workers' representation arrangements.

Suppliers

A smoothly functioning, comprehensive supply chain ensures well-ordered development and manufacturing processes. Burckhardt Compression buys its inputs from various global and regional suppliers. The company works closely with these suppliers right from the development phase and seeks to establish long-term partnerships. The principles set out in the Burckhardt Compression's own Code of Conduct are systematically implemented in all dealings with suppliers. In 2020, these principles evolved into a specific Code of Conduct for Business Partners. Suppliers are qualified using a set process and are evaluated through the measurement of key performance indicators. Exchanges and performance review take place on a regular basis via on-site visits, virtual meetings, audits or virtual inspections.

Strategic procurement is an integral part of Burckhardt Compression's strategic management cycle. The relevant procurement managers report at regular intervals on the most important changes in the global procurement market, such as price trends for raw materials and finished products. The necessary decisions are made together with divisional management teams to ensure a smooth supply chain. We reward the best suppliers in the various categories each year to encourage them to achieve even more.

Risk management

As the world's leading manufacturer of reciprocating compressors, Burckhardt Compression is exposed to a number of risks. The company has developed a comprehensive risk management system, which is integrated into the planning and leadership process.

The Executive Management's assessment of risks is discussed with the Audit Committee and Board of Directors twice a year. A distinction is made between operational, strategic, legal and financial risks.

The aim of risk management is:

- to systematically detect special risks;
- to establish processes for monitoring, reducing, and, ideally, preventing risks;
- to achieve a balance between risks and rewards.

ECONOMIC SUSTAINABILITY

Long-term success

The Group's ultimate goal is the long-term success of Burckhardt Compression. This requires a stable operating environment and the achievement of financial goals.

As part of the effort to maintain economic sustainability, Burckhardt Compression regularly produces a Mid-Range Plan, usually covering a period of five financial years. This is periodically reviewed and adjusted in line with the economic, political and technological environment.

Process improvement

The quest for continuous improvement by Burckhardt Compression's executives and employees lies at the very heart of the company.

Every year, the personal objectives of executives and employees include the implementation of continuous and sustainable improvement projects. These projects are implemented using a method developed by Burckhardt Compression and evaluated by its executives.

The company also works with suppliers, universities, institutions, and advisors worldwide to develop and improve products or processes in areas where it does not have the necessary expertise. Cooperation with external experts and specialists also fosters new ideas and maximizes creative potential within the company.

Capital expenditure

Burckhardt Compression has invested CHF 112.3 mn over the past five years (excluding acquisitions). Most of its capital expenditure during the period under review was spent in Winterthur and at Shenyang Yuanda Compressor. Shenyang's new factory was completed and started work in September 2020.

Acquisitions

Over the past five years, Burckhardt Compression acquired the following businesses: Shenyang Yuanda Compressor Co. Ltd. (China), IKS Industrie- und Kompressorenservice GmbH (Germany), CSM Compressor Supplies & Machine Word Ltd. (Canada), Arkos Group LLC (USA), Compressor Business of the Japan Steel Works Ltd. (Japan). Acquisitions always have to meet the following three pre-defined criteria.

Acquisitions must always generate additional financial value for the company, strengthen the local presence or further expand the product range, and be able to integrate due to similar corporate culture or values.

Promoting fair competition

Burckhardt Compression is committed to fair competition and has zero tolerance for price fixing, cartels, or any other activities that distort competition. This is also clearly stated in the company's own Code of Conduct. Burckhardt Compression is protective of its operational and business expertise and works systematically to prevent the loss of, or unauthorized access to, its technical and commercial knowledge.

Value-based management

Added value generated for shareholders is measured by two key metrics:

- Return on net operating assets (RONOA)
- Earnings per share (EPS)

Return on net operating assets for the period under review amounted to 14.0% (previous year 12.0%). Net income per share attributable to the shareholders of Burckhardt Compression for the period under review amounted to CHF 13.00 (previous year: CHF 9.56). The aim is to increase this still further.

Warranty costs

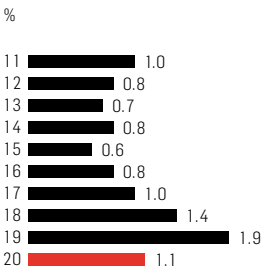
The effective warranty costs decreased in the 2020 fiscal year. In the fiscal years 2017 to 2019 extraordinary additional costs were incurred for the LNGM business.

SOCIAL SUSTAINABILITY

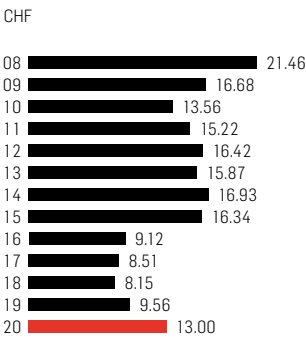
Corporate culture

A well-founded and sound corporate culture forms the foundation for a company's competitiveness. A comprehensive values program called "Values and Behaviors" ensures that employees in the Group's different locations and companies share and actively uphold the same corporate values and principles. The internal Code of Conduct sets fundamental standards and principles for how employees should behave in relation to each other and to partners, stakeholders, and the environment. The code is reviewed and updated at regular intervals, most recently in the 2020 fiscal year. This shared understanding makes collaboration between teams and across borders much easier. A Speak Up channel hosted by a third party, will be implemented in fiscal year 2021 and can be used to report violations of the values and behavioral guidelines.

ACTUAL WARRANTY COSTS AS A PERCENTAGE OF SALES



NET INCOME PER SHARE



All employees are trained in the company's values and behaviors, which also form a compulsory part of the induction program for new employees. Members of the Executive Management have also stressed the importance of these common values and behaviors in video podcasts. This ensures that the entire staff are aware of the corporate culture and act according to the defined values. Company executives are important role models in this regard.

Sustainable HR policy

Only satisfied employees will go the extra mile to meet the needs of our customers, so Burckhardt Compression is committed to a sustainable personnel policy, as well as diversity in workforce and structures. High levels of employee loyalty and identification with the company are confirmed by the fact that the typical employee has been with the company for 8.5 years.

Before the beginning of the year under review, the company conducted another worldwide employee survey. The impressive response rate of 91% reflects a high level of employee engagement. It was also pleasing to see the improvement in almost all the survey values at Group level. The findings were systematically evaluated and resulted in the implementation of measures designed to improve satisfaction even more in the main areas. Account was taken of the specific local needs of employees at individual subsidiaries. The employee survey is carried out every two years in order to identify any changes and then respond accordingly. The next employee survey is planned for the fiscal year 2021.

The employee turnover rate remained at 9.5%. This figure includes all departures, plus fixed-term employment contracts that came to an end. 4.3 percentage points of this are accounted for by voluntary departures, which is under the defined maximum value of 6%. For the coming fiscal year, we have set ourselves a maximum value of 5%. The proportion of employees who changed jobs because of employment conditions or salary was lower than in the previous year. The most common reasons for departures were related to personal or family factors.

20% of the Board of Directors was female. 20% of the Executive Management and 14.9% of the worldwide staff are women. Burckhardt Compression has a fundamental belief that mixed-gender teams perform better.

Modern employment conditions

Employment conditions at Burckhardt Compression are always being adapted to the latest requirements, and the coronavirus pandemic lent even more impetus to this process during the 2020 fiscal year. The health of employees and their families has always been a priority during this time. The company has always ensured that the workforce at production plants could rely on appropriate protective measures. A strategy was quickly devel-

VALUES AND BEHAVIORS

Our values

Partnership

Performance

Cooperation

Dedication

Our success factors and behaviors

Think Customer

- Build relationship
- Demonstrate quality focus
- Live service orientation

Take Ownership

- Show initiative
- Focus on results
- Create lasting solutions

Act Decisively

- Take considered risks
- Demonstrate agility
- Persist without fear of failure

Build Engagement

- Align goals
- Develop self and others
- Inspire people

Break Barriers

- Promote collaboration
- Embrace diversity
- Transfer knowledge

Champion Change

- Remain adaptable
- Support people
- Adopt new practices

oped for office-based workers so that they could work from home with all the necessary infrastructure. Regular communication through various channels ensured that the most pressing issues could be sorted out quickly at any time. Thanks to the committed cooperation of all employees, the company coped well with the challenges presented by the coronavirus pandemic. Some innovations, such as large-scale home-working, were a new experience for Burckhardt Compression and proved positive for employees in some respects. The option to work from home more will therefore be retained in future, providing greater flexibility in the way people's working life is organized.

Attractive employer

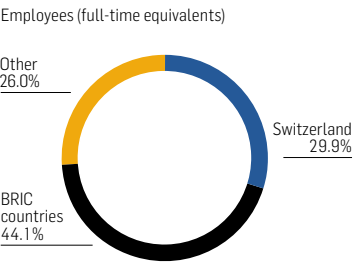
Burckhardt Compression ranked as one of the most attractive Swiss employers in 2021. This ranking is based on an independent survey of employees carried out by data analysts Statista via an online access panel, combined with input from the readers of "Handelszeitung" and "Le Temps". More than 1,500 employers with 200 or more employees in Switzerland were identified for the survey. In the overall ranking, Burckhardt Compression achieved an impressive 26th place, while within the mechanical engineering sector it ranked third.

Employee development

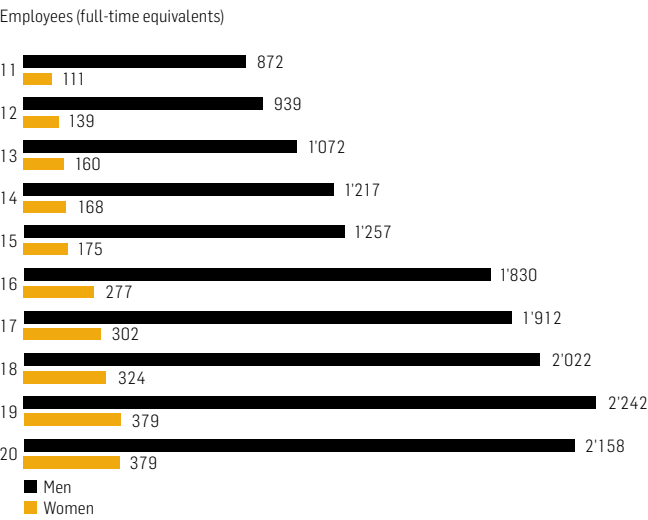
Burckhardt Compression appreciates its employees' expertise and promotes knowledge sharing. Employee orientation programs ensure that new hires are familiarized with their area of work and our corporate culture. Personal training and development is part of the annual appraisal and performance review process and is financed by the company. To ensure the ongoing development of technological expertise and management skills within the company, employees around the world participate in internal technical, product, and leadership training modules, which are conducted across the Group several times a year.

Burckhardt Compression conducts an annual appraisal and performance review with every employee (MyPerformance@BC), which includes personal development goals and suggestions for continuous improvement. Periodic reviews of progress made toward performance goals, formal meetings with employees and goal-setting are also part of our evaluation system.

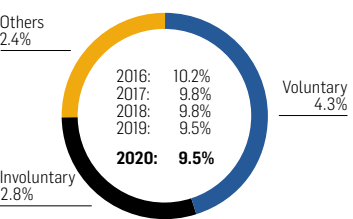
GEOGRAPHIC BREAKDOWN OF THE WORKFORCE, 2020
100% = 2'538



GLOBAL WORKFORCE BY GENDER



EMPLOYEE TURNOVER RATIO



Promoting new talent and career development

Burckhardt Compression promotes and supports new talent at all levels and is committed to the Swiss system of apprentice training. The company currently has 42 apprentices in Switzerland and 17 in India receiving vocational training in eight different trades. Burckhardt Compression is a founding member of the initiative launched under the auspices of the Swiss Federal Office for Professional Education and Technology and the Swiss-Indian Chamber of Commerce to establish an apprenticeship system in India based on the Swiss model; the company is also a corporate sponsor of the AZW Training Center in Winterthur for vocational career pathways. Apprentices with a good performance record are generally retained by Burckhardt Compression upon completion of their apprenticeship. Approximately CHF 1.5 mn is spent on apprenticeships each year (cash out).

An internal talent review process is in place to identify potential new managers and specialists at an early stage and guide them through selective talent development programs. Vacant job positions at all levels are also advertised internally. External and internal candidates must go through a proprietary screening process. The systematic evaluation and development of the company's future managers, which has taken place internally with success for many years, enabled the company once again to fill various management vacancies during the past year with internal candidates. Because it is well known and has a positive external reputation, Burckhardt Compression can recruit very good external candidates when there are no internal candidates for open leadership positions.

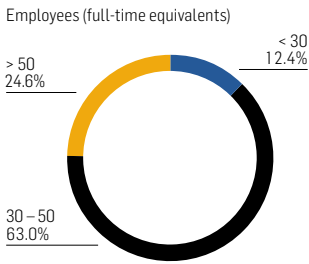
Burckhardt Compression runs an Internal Management Development Program (IMDP) every three years, most recently in 2019. Promising mid- and upper-management talents from around the world receive training through this program. This is composed of various modules that deliberately take participants beyond their normal field of activity in order to give them a comprehensive understanding of the company. As part of the program, participants also work in multinational project teams with a strategic focus on the Mid-Range Plan.

Occupational health and safety

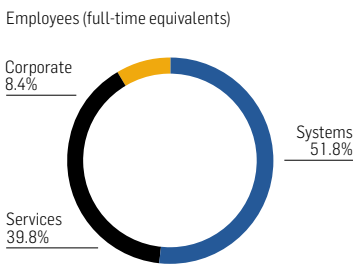
Occupational safety is a high priority at Burckhardt Compression. Every employee should be made aware of potential workplace risks and accident prevention measures, so regular training sessions are held on these topics, supplemented by annual audits conducted by external experts. Internal safety inspections are performed to identify and mitigate hazards. Action is taken on the basis of the inspections' findings.

The health and well-being of employees is another high priority. Burckhardt Compression knows that physical and mental health is closely linked to performance, which is why it launched the Dr BeWell program in 2019. Implemented locally, this includes

GLOBAL WORKFORCE BY AGE, 2020
100% = 2'538



GLOBAL WORKFORCE BY DIVISION, 2020
100% = 2'538



a varied range of physical exercises as well as preventative measures and special topics. The program is just one of the ways in which Burckhardt is improving employee satisfaction, health, and motivation is improved and and reducing absences.

In the fiscal year 2020, the health and safety system at all Burckhardt Compression locations was certified under the new ISO 45001 standard (replaces OHSAS 18001). The only exceptions were the subsidiaries SAMR, Prognost, Arkos, and Shenyang Yuanda, all of which have their own health and safety systems. Numerous measures ranging from detailed risk assessments and safety inspections accompanied by management to workplace safety training and mandatory protective footwear requirements for certain employees have led to a further improvement in the relevant key performance indicators.

In Switzerland the number of illness-related absences per employee amounted to 9.3 days for the reporting year (previous year 9.2 days). Due to a more comprehensive survey method, the figures in this report are not comparable with those from previous annual reports.

Social environment

Burckhardt Compression is well embedded in its social environment and works actively with the local community and authorities in all its locations. The company supports employees who are committed to doing good for the community. This applies in particular to executives and employees who become involved with politics and industry associations in order to help solve social challenges.

Burckhardt Compression supports community and cultural projects at different locations in order to strengthen local social cohesion. Employees are encouraged to become personally involved in such projects. Personnel in India, for example, are helping to mitigate the impact of the pandemic on poorer sections of the population by making donations of goods and money and taking on voluntary work.

ENVIRONMENTAL SUSTAINABILITY

"We are a company that cares about the environment and that strongly supports responsible and prudent consumption of energy and our planet's finite natural resources. By exercising foresight and prudence, we help to minimize the use of energy, water, and chemicals of all kinds, and reduce harmful emissions." (Code of Conduct)

Product design and innovation

Environmental protection starts with product design and development. Here, the focus is on sustainable and efficient development, taking into account the entire life cycle of a product. This

is indispensable since Burckhardt Compression's compressor systems have an average service life of 30 to 50 years. Whenever it makes sense, customers are included early on in the development stage of new products, in order to find joint innovative solutions and verify ideas.

In a pilot project currently underway in India, a life cycle analysis (LCA) is being conducted to determine the environmental impact from raw material extraction to the decommissioning and disposal of a compressor to derive targeted measures to improve the overall impact.

Areas of application

The high functionality of the products made by Burckhardt Compression allows optimal operation of compressor systems in many different processes. In numerous application areas, compressors play a critical role in reducing environmental damage and facilitating sustainable energy provision, for example with renewable fuels.

The following products and solutions developed in recent years promise to bring greater customer benefits while improving the environmental footprint.

- Compressor systems for marine applications: The dual-fuel propulsion system developed for LNG carriers can be powered by environmentally friendly natural gas instead of marine diesel oil. The Laby®-GI fuel gas compressors by Burckhardt Compression compress the boil-off gas from the LNG tanks, which is then injected directly into a diesel engine. The dual-fuel propulsion system for LNG carriers reduces CO₂, SO_x and NO_x emissions by up to 30% when powered by natural gas.
- Process gas compressors for hydrogen fueling applications: Innovative ring geometries enable process gas compressors to be operated without oil lubricants in fueling applications for hydrogen-powered trains, trucks, or buses, with pressures of up to 500 bar. The technological advantages of reciprocating compressors for this market are unrivaled efficiency and long service lives.
- Process gas compressors per API 618: These compressors are used specifically in industrial processes for the desulfurization of fuels.
- PROGNOST®-SILver: Systems for monitoring and diagnosing the condition of reciprocating compressors are key tools for increasing operational reliability, extending service intervals, and preventing failures.

Procurement

Burckhardt Compression uses its suppliers' experience to continuously improve its products, because an important part of the value creation is provided by them. They are therefore held to the same high standards as Burckhardt Compression itself by a newly developed Code of Conduct for Business Partners

and are they are also integrated into the Burckhardt Compression's environmental and quality policy. Checks are made on site or when goods arrive to ensure adherence to specifications and are verified by reviewing the required audit reports.

Manufacturing and logistics

In our efforts to transfer knowledge and production know-how between our various production and engineering centers, we are also transferring safe, efficient, and environmentally friendly production and engineering processes. The fundamental improvement program PULL@BCAG facilitates optimization of internal logistics processes and transportation, as well as reducing transport runs by consolidating deliveries and containers. PULL@BCAG does far more than traditional projects because it expresses Burckhardt Compression's underlying philosophy of work. Procuring equipment locally helps the company keep close to customers – as well as reducing transportation.

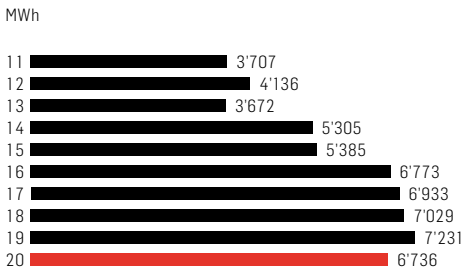
Environmental management

In fiscal year 2018, all Burckhardt Compression locations were certified in accordance with ISO 14001, with the exception of the SAMR, Prognost, Arkos, and Shenyang Yuanda subsidiaries, which have their own environmental management systems. In addition to compliance with the applicable standards, activities here were primarily focused on environmentally relevant aspects, with the aim of reducing energy consumption. A comprehensive chemicals concept was also developed; harmful chemicals were substituted by less harmful ones, and their storage was optimized.

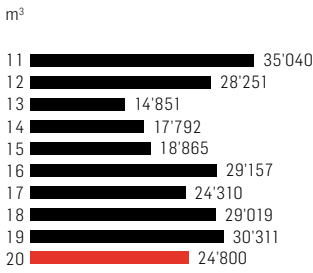
The Winterthur site has launched a comprehensive program to reduce greenhouse gas emissions as part of the target agreement with the canton of Zurich.

A multi-year project to save energy in our offices and workshops is underway at the Winterthur site. Associated measures form part of a comprehensive 10-year program under a target agreement made with Canton Zurich to reduce greenhouse gas emissions. Emissions are measured regularly at the site in Winterthur. They were reduced by 44% in the fiscal year 2020, with most of the reduction attributable to the current coronavirus pandemic. Travel restrictions meant that many business trips were replaced with virtual meetings, which had a substantial impact on greenhouse gas emissions.

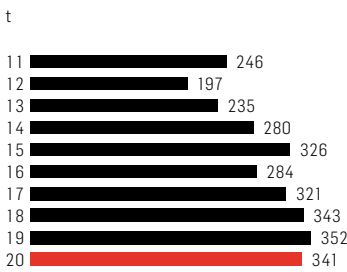
ELECTRICITY CONSUMPTION



WATER CONSUMPTION



WASTE



Figures without Shenyang Yuanda Compressor

Shenyang Yuanda Compressor's new factory in Shenyang takes much of the energy it needs from district heating systems. It also has very effective insulation for its exterior walls. Insulated sandwich wall panels reduce the amount of energy required for heating. Employees' work and safety clothing is washed at a central laundry rather than in separate washing machines for each department. This saves both water and energy. A new sand mixer was installed for Shenyang Yuanda Compressor's foundry in 2019. The sand that is used for the casting molds can now be reprocessed and reused.

The factory in Pune won the GreenCo Star Performer Award again. GreenCo is a rating system established by the Confederation of Indian Industry (CII), which takes a holistic approach to measuring the results of companies' environmental initiatives. The prize was awarded because the factory managed to cut its energy consumption by 22% compared with the base year of 2015/16, as well as achieving a 38% year-on-year reduction in fresh water consumption. This latter achievement was made possible in part by a rainwater collection system with an average collection potential of around 80%. Washing rather than disposing of oily cotton cleaning rags used in manufacturing processes saved 660 kg of cotton.

Recycling and disposal

Hazardous goods and chemicals are transported, stored and disposed of in accordance with applicable laws and regulations. Internal collection points help employees sort and dispose of waste correctly and allow recycling of most waste materials. Specialized companies are used to dispose of specific materials (e.g. metals) properly and environmentally.

The waste management concept introduced in collaboration with external consultants in Winterthur was continued and expanded and will lead to even greater separation of waste in the future. The replacement of conventional lighting with LEDs in Winterthur continued. Burckhardt Compression also further optimized its chemicals concept at the Winterthur site. Combustible chemicals were replaced by less combustible ones, and all container labelling was amended. Oil storage tanks were retrofitted with spill containment systems and special transport tanks, which improves chemical safety practices and process efficiency. The substitution of hazardous chemicals further reduced consumption of VOC gases (Volatile Organic Compounds), which are harmful to the environment. These and other measures are part of the EOHS system that has been introduced at all Group sites in compliance with ISO 14001 and 45001.

ENHANCED FOCUS ON SUSTAINABILITY

During the 2020 fiscal year, Burckhardt Compression carried out a materiality assessment to underpin its commitment to sustainability and take its strategy forward. The aim was to identify the most important sustainability topics for the Burckhardt Compression Group as a whole.

Materiality assessment

The standards set out in the Global Reporting Initiative (GRI) served as a framework for identifying these issues. The first step was to consolidate potentially relevant topics in an expanded list. This list was compiled after analyzing selected sustainability standards, investor assessments (ESG ratings), competitors, customers, and other relevant companies in the industrial sector. The second step was to evaluate these topics from the perspective of stakeholders and from an impact perspective. Burckhardt Compression did this by surveying the assessments and expectations of the various stakeholder groups online and in personal conversations. Impact on the environment, society, and the economy was determined by means of a structured assessment based on OECD due diligence guidance for responsible business conduct.

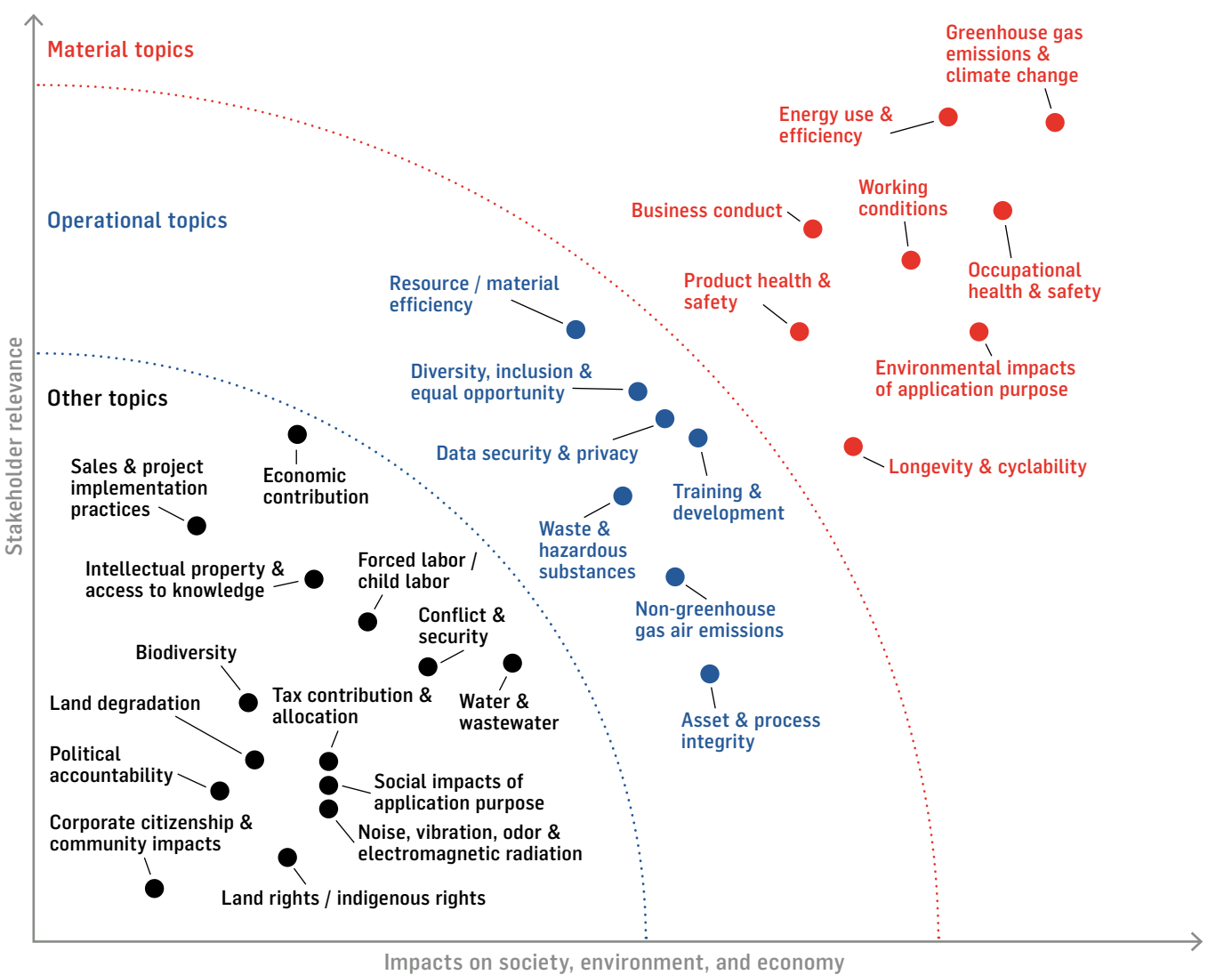
Results

The analysis resulted in a materiality matrix in which 8 of 29 topics were identified as material to Burckhardt Compression.

This materiality matrix helps to guide and focus decisions on the further integration of sustainability into Burckhardt Compression's business activities. It is reviewed at regular intervals and adjusted if required. Topics identified as material form the strategic core of Burckhardt Compression's future approach to sustainability. More relevant topics are continuously integrated into operational business activities. The remaining topics are dealt with as part of the normal course of business, taking stakeholder expectations into account.

From fiscal year 2021, Burckhardt Compression will gradually integrate key sustainability topics into its business activities and align them more closely with the Sustainable Development Goals. Future reporting will also be updated to include key figures that meaningfully document progress made on sustainability.

BURCKHARDT COMPRESSION MATERIALITY MATRIX



MATERIAL TOPICS

			value chain impacts		
			supply chain	own operations	use / end-of-life
Environment	Greenhouse gas emissions & climate change	Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks.	●	●	●
	Energy use & efficiency	Energy consumption, efficiency, and sources for the production, provision, and operation of Burckhardt Compression's products and services.	●	●	●
	Longevity & cyclability	Fostering a long life cycle and the circularity of materials and products in Burckhardt Compression's business activities, including maintenance and repair services.	●	●	●
	Environmental impacts of application purpose	Environmental impacts of the use case of Burckhardt Compression's products and services, including contributing towards a sustainable energy transition.	○	○	●
Society	Working conditions	Employment terms including working hours, compensation, and labor-management relations as well as the satisfaction of employees with those terms.	●	●	○
	Occupational health & safety	Maintaining and promoting a safe and healthy working environment for workers involved in the production and provision of Burckhardt Compression products and services.	●	●	●
	Product health & safety	Maintaining and promoting the safe and healthy operation of Burckhardt Compression products and maintained products of other brands.	○	○	●
Economy	Business conduct	Ensuring and promoting that Burckhardt Compression's business activities are conducted in compliance with regulations, standards, and ethical principles.	●	●	●

CORPORATE GOVERNANCE

Burckhardt Compression is committed to responsible corporate governance. The company adheres to the Directive on Information Relating to Corporate Governance (DCG) issued by SIX Swiss Exchange, where applicable to Burckhardt Compression, and the "Swiss Code of Best Practice for Corporate Governance" issued by economiesuisse.

In the 2020 fiscal year, Burckhardt Compression has set-up a new Code of Conduct for business partners. In this fiscal year, Burckhardt Compression started to refresh the Code of Conduct for its employees, which will be released in the next fiscal year. In addition, a Speak Up channel for all internal and external stakeholders of Burckhardt Compression will be launched in the next fiscal year as well.

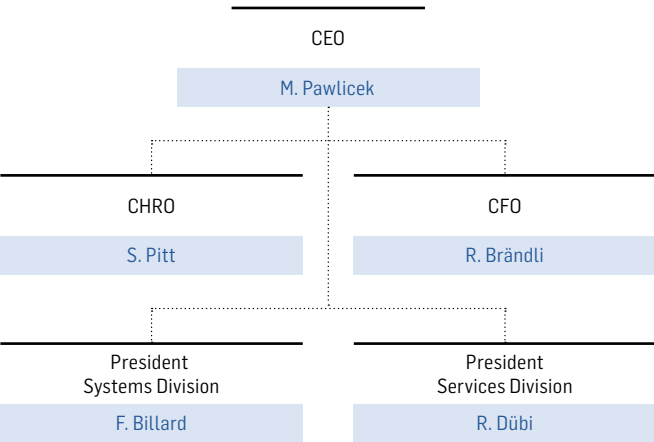
This report is structured in accordance with the DCG's outline and numbering. Unless otherwise noted, the information presented reflects the situation on March 31, 2021.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1. Group structure

1.1.1. Management structure

Burckhardt Compression is managed through a divisional organizational structure consisting of two divisions, the Systems Division (compressor manufacturing business) and the Services Division (compressor services and components). The management structure of the Burckhardt Compression Group is given in the organizational chart below:



1.1.2. Listed Group companies

Burckhardt Compression Holding AG, a corporation organized under the laws of Switzerland with legal domicile in Winterthur, is the only listed Group company. Burckhardt Compression registered shares (BCHN) are listed on the SIX Swiss Exchange in Zurich (ISIN: CH0025536027; security number 002553602). Its market capitalization as of March 31, 2021 amounted to CHF 1'071'000'000.

1.1.3. Unlisted Group companies

Information on the unlisted companies included in the scope of consolidation of Burckhardt Compression Holding AG is given in the financial report on page 107, Note 102, "Subsidiaries".

With the exception of Burckhardt Compression Holding AG, none of the companies included in the scope of consolidation hold any BCHN shares.

1.2. Significant shareholders

According to information available to the company from the disclosure notifications of the SIX Swiss Exchange AG, the shareholders listed in the following table reported shareholdings of at least 3% of the voting rights as per March 31, 2021. In accordance with the company's Bylaws, the voting rights of NN Group N.V. and Atlantic Value General Partner Limited (Mondrian) are limited in each case to 5.0% of the total number of BCHN registered shares recorded in the share register:

Name	Country	% of shares
MBO Aktionärsgruppe (Valentin Vogt, Harry Otz, Leonhard Keller, Martin Heller, Ursula Heller, Marcel Pawlicek)	CH	12.4
NN Group N.V.	NL	10.3
Atlantic Value General Partner Limited (Mondrian)	GB	5.0
BlackRock, Inc.	US	3.0
UBS Fund Management (Switzerland) AG	CH	3.0
FEDERATED HERMES, INC.	US	3.0

More detailed information on the disclosure notifications is available on the website of the SIX Swiss Exchange's Disclosure Office (<https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>).

1.3. Cross-shareholdings

Burckhardt Compression Holding AG has no cross-shareholdings with any other company or group of companies.

2. CAPITAL STRUCTURE

2.1. Capital

The issued share capital of Burckhardt Compression Holding AG amounts to CHF 8'500'000, comprising 3'400'000 fully paid registered shares with a nominal value of CHF 2.50 each.

2.2. Details on authorized and conditional capital

The Board of Directors is empowered to increase the company's share capital by a maximum of CHF 1'275'000 at any time until July 6, 2021 by issuing a maximum of 510'000 fully paid registered shares with a nominal value of CHF 2.50 each (authorized share capital). The date and amount of the issuance, the time of dividend entitlement, and, if applicable, the type of contribution will be determined by the Board of Directors. Partial increases in capital are permitted. The transferability of the shares shall be subject to the registration restrictions set forth in the Bylaws, if any. The Board of Directors is authorized to exclude shareholders' subscription rights, in part or whole, in favor of third parties if the new shares are used to i) acquire companies through an exchange of shares or ii) to finance the purchase of companies in whole or part. The Board of Directors is also authorized to exclude subscription rights of shareholders if the newly created shares are issued by means of a public offering. Shares for which subscription rights have been granted but not exercised will be allotted by the Board of Directors at its own discretion. Apart from the above, Burckhardt Compression Holding AG has no other authorized and/or conditional share capital.

2.3. Changes in capital

There has been no movement in share capital since the IPO in June 2006.

2.4. Shares and participation certificates

Voting rights may only be exercised after the shareholder has been registered in the Share Register. All shares are entitled to full dividend rights. Voting rights per shareholder are restricted to 5% of the total number of the registered shares recorded in the commercial register. This does not apply to shareholders who were in possession of more than 5% of the shares of Burckhardt Compression Holding AG before the Initial Public Offering (IPO). The voting rights of treasury shares – held by Burckhardt Compression Holding AG – will be suspended. The company has not issued any participation certificates.

2.5. Dividend-right certificates

The company has not issued any dividend-right certificates.

2.6. Limitations on transferability and nominee registrations

No person or entity will be registered as a shareholder in the Share Register for more than 5% of the issued share capital. This entry restriction is also applicable to persons whose shares are held, in whole or in part, by nominees. This restric-

tion is also valid if shares are acquired through the exercise of subscription, option, or conversion rights, with the exception of shares acquired through inheritance, division of an estate or marital property law.

Legal entities and partnerships associated with each other by uniformly managed capital or votes or in any other way, as well as private and legal entities or partnerships which form an association to evade registration restrictions, are regarded as one person.

Individual persons who have not expressly declared in their registration application that they hold the shares for their own account (nominees) will be entered in the Share Register with voting rights if the nominee concerned provides proof that he is subject to supervision by an accredited bank and financial market regulator and if he has concluded an agreement with the Board of Directors concerning his status. Nominees holding up to 2% of the issued shares will be entered in the Share Register with voting rights without having to sign an agreement with the Board of Directors. Nominees holding more than 2% of the issued shares will be entered in the Share Register with 2% voting rights and, for the remaining shares, without voting rights. Above this 2% cap, the Board of Directors may have nominees entered in the Share Register with voting rights if they disclose the names, the addresses, the nationalities, and the shareholdings of the persons for whom they hold more than 2% of the issued share capital.

2.7. Convertible bonds and options

The company does not have any outstanding convertible bonds and has not issued any option rights.

3. BOARD OF DIRECTORS



From left: David Dean, Dr. Stephan Bross, Ton Büchner, Dr. Monika Krüsi, Urs Leinhäuser

3.1. Members and
3.2. Other activities and interests

The Bylaws stipulate that the Board of Directors consists of a minimum of three and a maximum of seven members. Since the Annual Shareholder Meeting 2020, all members are non-executive and independent members of the Board of Directors in the context of the Swiss Code of best Practice for Corporate Governance from economiesuisse. The composition of the Board of Directors is as follows:

Name	Nationality	Function	First elected	Term expires
Ton Büchner ¹	CH/NL	Chairman, non-executive; Chairman SSC	2020	2021
Urs Leinhäuser	CH	Member, non-executive; member AC	2007	2021
Dr. Monika Krüsi	CH/IT	Member, non-executive; member SSC, Chair NCC	2012	2021
Dr. Stephan Bross	DE	Member, non-executive; member NCC	2014	2021
David Dean ¹	CH	Member, non-executive; Chairman AC	2019	2021
Valentin Vogt ²	CH	Chairman, non-executive; Chairman SSC	2002	2020

AC = Audit Committee
NCC = Nomination and Compensation Committee
SSC = Strategy and Sustainability Committee

¹ From July 4, 2020

² Until July 3, 2020

Valentin Vogt was CEO of Burckhardt Compression Group from the year 2000 until March 31, 2011. No Board member has served as a member of the Executive Management of a Burckhardt Compression Group company. None of the directors have material business relationships with a Burckhardt Compression Group company.

The competencies of the Board members are depicted in the following matrix:

	Ton Büchner	Urs Leinhäuser	Monika Krüsi	Stephan Bross	David Dean	Valentin Vogt
Executive competence (>200 FTEs)	•			•	•	•
Strategic competence	•	•	•	•	•	•
Competence in non-European cultures	•	•	•	•	•	•
Supply chain competence			•	•	•	
Competence in BC markets	•			•		•
Technological competencies	•		•	•		
Financial competencies	•	•			•	•
M&A competence	•	•	•	•	•	•
Board-level competencies	•	•	•		•	•
CEO coaching competencies	•		•	•	•	•

The company's General Counsel, who serves as Secretary to the Board of Directors, has a degree in law (Dr. iur.).

Biographical details and information on other activities and commitments of the individual members of the Board of Directors are given below:

TON BÜCHNER (1965)

Independent Board Member since 2020

Education

Master of Business Administration, IMD Business School, Switzerland
Master of Science in civil engineering, Delft University of Technology, Netherlands

Professional background

2012–2017 Chairman of the Executive Management and CEO, AkzoNobel NV, Netherlands
2007–2011 CEO, Sulzer AG, Switzerland
2003–2006 President, Sulzer Pumps, Switzerland
2000–2002 President, Sulzer Turbomachinery Services, Switzerland
1994–2000 various management positions, Sulzer AG, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

– Chairman of the Board of Directors
– Chairman of the Strategy and Sustainability Committee

Other activities and commitments

– Member of the Board of Directors, Novartis, Switzerland
– Chairman of the Board of Directors, Swiss Prime Site AG, Switzerland
– Advisor, Ammega, Switzerland

URS LEINHÄUSER (1959)

Independent Board Member since 2007

Education

Degree in Business Administration, University of Applied Sciences, Zurich, Switzerland
IMD Lausanne (SSE)

Professional background

Since 2016 Partner/Consultant ADULCO GmbH, Switzerland
2014–2016 Self-employed, Switzerland
2011–2014 CFO and Deputy CEO, Member of Executive Management, Autoneum Holding AG, Switzerland
2003–2011 CFO and Head Corporate Center, Member of Group Executive Committee, Rieter Holding AG, Switzerland
1999–2003 CFO, Member of Group Executive Committee, Mövenpick Holding, Switzerland
1997–1999 Head of Finance and Controlling, Piping Systems Division, Georg Fischer AG, Switzerland
1995–1997 Head of Corporate Controlling, Georg Fischer AG, Switzerland
1992 Managing Director, Cerberus, Denmark
1988–1994 Group Controller, Cerberus AG, Switzerland
1986–1988 Tax Consultant, Deputy Head, Tax Consultancy Department, Refidar Moore Stephens, Switzerland
1983–1986 Tax Inspector, Cantonal Tax Department SH, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

– Member of the Board of Directors
– Member of the Audit Committee

Other activities and commitments

– Chairman of the Board of Directors, Avesco AG, Switzerland
– Board member, Ammann Group Holding AG, Switzerland
– Board member, Liechtensteinische Landesbank AG, Liechtenstein
– Board member, VAT Group AG, Switzerland
– Board member, PENSADOR Partner AG, Zurich

DR. MONIKA KRÜSI (1962)

Independent Board Member since 2012

Education

PhD. in Business Informatics, MBA University of Zurich, Switzerland

Professional background

Since 2003 Partner, MKP Consulting AG, Switzerland
2001–2003 Partner, Venture Incubator Partners AG, Switzerland
1991–2001 Associated Partner, McKinsey & Co., Inc., Switzerland
1986–1990 Credit Suisse, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

– Member of the Board of Directors
– Chair of the Nomination and Compensation Committee
– Member of the Strategy and Sustainability Committee

Other activities and commitments

– Chair of the Board of Directors, Repower AG, Switzerland
– Chair of the Board of Directors of Oskar Ruegg AG, Schweiz
– Board member, 360°, Switzerland
– Board member, Otto Suhner AG, Switzerland
– Board member, Signal AG, Switzerland
– Board member, BGRB Holding AG, Switzerland
– Board member, Technopark Luzern, Switzerland

DR. STEPHAN BROSS (1962)

Independent Board Member since 2014

Education

Engineering degree, University of Braunschweig, Germany

Professional background

Since 2018 Executive Management member (CTO), KSB SE & Co. KGaA, Germany
2017 Executive Management member, Technology, KSB AG, Germany
2014–2017 Senior Vice President, Pumps, KSB AG, Germany
2007–2013 Senior Vice President, Service, KSB AG, Germany
2002–2007 Head of Product Management and Development Engineered Pumps, KSB AG, Germany
1997–2001 Head of Development and Services Fluid Flow Technical Systems, KSB AG, Germany
1996–1997 Head of Fluid Mechanics Research, KSB AG, Germany
1993–1996 R&D Engineer, KSB AG, Germany

Duties and responsibilities as a director of Burckhardt Compression Holding AG

– Member of the Board of Directors
– Member of the Nomination and Compensation Committee

DAVID DEAN (1959)

Independent Board Member since 2019

Education

Swiss certified expert for accounting and controlling
Swiss certified accountant
Completed executive education programs at Harvard Business School, Boston, USA, and at the IMD, Lausanne, Switzerland

Professional background

Since 2019 Self-employed, Switzerland
2004–2019 CEO, Bossard Group, Switzerland
1998–2004 CFO, Bossard Group, Switzerland
1993–1998 Deputy CFO and Corporate Controller, Bossard Group, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

– Member of the Board of Directors
– Chairman of the Audit Committee

Other activities and commitments

– Board member, Bossard Group, Switzerland
– Board member, Komax Group, Switzerland
– Board member, Brugg Group, Switzerland
– Chairman of the Board of Directors, Haag-Streit Group, Switzerland (a division of Metall Zug Group)

VALENTIN VOGT (1960)

Independent Board Member until 2020

Education

Lic. oec. HSG St. Gallen, Switzerland

Professional background

Since 2011 Self-employed, Switzerland
2000–2011 CEO, Burckhardt Compression Group, Switzerland
1992–2000 General Manager, Sulzer Metco AG, Switzerland
1989–1992 CFO, Sulzer Metco AG, Switzerland
1986–1989 CFO, Alloy Metals, USA
1985–1986 Controller, Sulzer AG, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

– Chairman of the Board of Directors
– Chairman of the Strategy Committee

Other activities and commitments

– Chairman of the Board, Kistler Holding AG, Switzerland
– Board member, Bucher Industries AG, Switzerland
– Board member, Ernst Göhner Stiftung Beteiligungen AG, Switzerland
– Chairman of the Swiss Employers' Association, Switzerland

3.3. Rules in the Bylaws concerning the number of permitted activities
Members of the Board of Directors may not hold more than ten (10) additional board memberships, whereof not more than four (4) in listed companies.

3.4. Election and term of office
Each member of the Board of Directors, the Board Chairman, and each member of the Nomination and Compensation Committee are elected annually by the Annual General Meeting. The members of the Board of Directors shall be automatically retired from the Board of Directors in the year in which they reach the age of 70.

3.5. Internal organization
The Board of Directors has the final responsibility for the business strategy and the management of the Burckhardt Compression Group. It has final authority and defines the guidelines regarding strategy, organization, financial planning, and accounting for the Burckhardt Compression Group.

The Board of Directors has delegated executive management responsibility to the CEO of the Burckhardt Compression Group. The Board of Directors appoints a secretary for the Board and for the company. The Secretary does not need to be a member of the Board. This role is currently assigned to the company's General Counsel.

The Board of Directors meets as often as business requires, but at least four times per year. In fiscal year 2020, the Board of Directors and Board committees convened the meetings shown in the table below.

Meetings	Governing body	Duration	Valentin Vogt	Ton Büchner	Urs Leinhäuser	Monika Krüsi	Stephan Bross	David Dean
04/28/2020, BOD meeting	BOD	3 hours	•		•	•	•	•
05/15/2020, AC meeting	AC	1.5 hours	•		•			•
05/26/2020, NCC meeting	NCC	3.5 hours				•	•	
05/27/2020, AC meeting	AC	3.5 hours			•			•
05/27/2020, BOD meeting	BOD	7 hours	•		•	•	•	•
08/28/2020, BOD meeting	BOD	5.5 hours		•	•	•	•	•
09/10/2020, BOD meeting	BOD	1 hour		•	•	•	•	•
10/29/2020, NCC meeting	NCC	2 hours				•	•	
10/30/2020, AC meeting	AC	3 hours			•			•
10/30/2020, BOD meeting	BOD	6.5 hours		•	•	•	•	•
11/12/2020, SSC meeting	SSC	1 hour		•		•		
12/10/2020, SSC meeting	SSC	3 hours		•		•		
12/11/2020, BOD meeting	BOD	6.5 hours		•	•	•	•	•
02/25/2021, AC meeting	AC	3 hours			•			•
03/02/2021, BOD meeting	BOD	5 hours		•	•	•	•	•
03/03/2021, extra. NCC meeting	NCC	2.5 hours		•		•	•	

BOD = Board of Directors
AC = Audit Committee
NCC = Nomination and Compensation Committee
SSC = Strategy and Sustainability Committee

The Board of Directors has a quorum when the majority of the members are present. Decisions are passed by a simple majority. In the event of a tie, the Chairman has the casting vote.
The CEO, the two Presidents of the Systems and Services Divisions, the CFO, the CHRO, and the General Counsel, in his role as secretary, are regularly invited to attend Board meetings to report on developments in their respective business areas.

The Board of Directors has set up the following committees:

Audit Committee The Audit Committee advises and supports the Board in all matters related to external and internal audits, risk management, accounting policies and practices, and compliance with accounting standards issued. The CEO, the CFO, the head of the internal audit unit, and representatives of the external auditors also participated in the Audit Committee's ordinary meetings. The members are David Dean (Chair) and Urs Leinhäuser.

Nomination and Compensation Committee This committee advises and assists the Board of Directors on appointing, assessing and dismissing members of the Executive Management, and draws up proposals for the appointment or dismissal of members of the Board of Directors. Furthermore, the Nomination and Compensation Committee advises and assists the Board of Directors on questions relating to the compensation of the directors and the Executive Management members. The CEO and the CHRO also attend the ordinary meetings of the NCC. The members are Dr. Monika Krüsi (Chair) and Dr. Stephan Bross.

Strategy and Sustainability Committee The Strategy and Sustainability Committee supports the CEO in developing corporate strategy and advises the Board of Directors on strategic matters such as acquisitions and divestments. It evaluates the implementation of company strategy on a regular basis and submits proposals to the Board of Directors if adjustments or other measures are deemed necessary. The members are Ton Büchner (Chair) and Dr. Monika Krüsi. In addition, the Strategy and Sustainability Committee organizes and prepares the annual strategy day in collaboration with the CEO.

Self-evaluation of the Board of Directors In fiscal year 2020, the Board of Directors conducted a self-evaluation looking at the work of the Board of Directors and its individual committees. The evaluation process covered purpose, scope, composition, and responsibilities and was done as an internal evaluation only. Each of the Board members completed a questionnaire and the detailed findings were presented back to the Board. Improvement measures were defined and will be regularly reviewed.

3.6. Definition of areas of responsibility
The Board of Directors has delegated the executive management of the company and the Group to the CEO of Burckhardt Compression Group, with the exception of the following matters:

- Definition of the Group's business policies and strategy
- Definition of the top-level organizational structure of the Group
- Approval of the periodic forecasts, the annual report, and reporting and accounting policies
- Ensuring adequate internal control systems based on the recommendations of the Audit Committee
- Determination of the appropriate capital structure
- Appointment and dismissal of members to and from the Executive Management, as well as compensation of the Executive Management
- Decisions on new subsidiaries, major capital expenditure projects, acquisitions, financing transactions, the insurance concept, and the provision of guarantees if such decisions exceed the powers conferred on the CEO.

The powers of the Executive Management and of the Group company executives are listed in detail in the organization regulation (<https://www.burckhardtcompression.com/investors/corporate-governance>).

3.7. Information and control instruments vis-a-vis the executive committee

Financial reporting and planning Order intake, the income statement, balance sheet, liquidity planning and cash flow, headcount, personnel costs, and capital expenditure are consolidated and annotated on a monthly basis. A rolling forecast of Group results for the current and coming fiscal years is also prepared and annotated four times a year (April, July, October,

and January). Targets for the coming fiscal year are determined based on the January forecast. The financial report and the forecasts are distributed to the members of the Executive Management and all members of the Board of Directors. At every meeting of the Board of Directors, the members of the Executive Management report on the course of business and on all issues of relevance to the Group.

Internal Group Audit and internal control system (ICS) The internal audit reports to the Chairman of the Audit Committee of the Board of Directors. Management responsibility for the unit has been delegated to the Head of Group Controlling, who is also responsible for planning and conducting the audits. The CFO is responsible for coordination between the Audit Committee and the head of the Internal Group Audit. The Internal Group Audit team consists of qualified staff from the Finance and Controlling departments of Burckhardt Compression AG and several selected financial specialists from the Group's subsidiaries. Qualified subject matter experts from other fields (e.g. IT, Legal, or Human Resources) may be consulted, depending on the auditing assignment. These employees perform the internal audit duties assigned to them in addition to their regular duties and in this additional capacity they report directly to the Head of Internal Group Audit, who in turn reports in this function directly to the Chairman of the Board of Directors' Audit Committee. This efficient organization is tailored to the needs and size of the Burckhardt Compression Group and fosters an active exchange of information and best practice with the objective of creating sustained added value for the Burckhardt Compression Group by means of continual process improvement. The internal auditors undergo regular training for the performance of their tasks. The training received is coordinated by the head of the internal Group audit. The schedule for internal audits is determined by the Audit Committee of the Board of Directors on an annual basis and may be changed or expanded by the Audit Committee as and when required. The internal auditors' reports were distributed to the management of the audited company, the members of the Audit Committee of the Board of Directors, the Executive Management members, and to the external company auditors. The statutory auditor assesses the effectiveness of the internal control system (ICS) in a written report submitted to the Audit Committee and the Board of Directors once a year.

Risk management Burckhardt Compression has an integrated risk management policy. In a two-stage process, key risks are identified using an anticipatory approach and grouped under one of three risk categories – strategic, financial, or operational – that have been defined by the Board of Directors. The risks are then evaluated, managed and stringently monitored, avoided, mitigated, or transferred to third parties through appropriate risk management measures. The first stage of risk management consists of a continuous risk management process, in which the divisions and larger companies at Burckhardt Compression Group systematically identify and assess the risks in a regular rhythm, define the necessary risk mitigation measu-

res together with the responsible persons, and set and monitor deadlines for implementation. Internal and external factors are included in the evaluation of potential risks.

The second stage of the risk management process consists of a periodic risk management review that takes place twice a year at the meetings of the Board of Directors' Audit Committee. To this end, the CEO prepares an overview of the main risks faced by Burckhardt Compression Group and an assessment of the likelihood of these risks occurring and the effects they would have. This overview is presented to the Audit Committee together with the risk mitigation measures, the people responsible for implementing them, and an implementation timetable. The Audit Committee then reports to the Board of Directors about the findings of the risk management review.

4. EXECUTIVE MANAGEMENT

4.1. Members of the Executive Management and
4.2. Other activities and commitments

Name	Nationality	Function
Marcel Pawlicek	CH	CEO
Rolf Brändli	CH	CFO
Sandra Pitt	DE/CH	CHRO
Fabrice Billard	FR/CH	President Systems Division
Rainer Dübi	CH	President Services Division



From left: Rainer Dübi, Fabrice Billard, Marcel Pawlicek, Sandra Pitt, Rolf Brändli

Biographical details and information on other activities and commitments of the members of the Executive Management:

MARCEL PAWLICEK (1963)

Education
Degree in Mechanical Engineering, HTL Winterthur, Switzerland, MBA Marketing and International Business, Fordham University, New York, USA

Professional background
Since 2011 CEO, Burckhardt Compression Group, Switzerland
2008–2011 Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland
2001–2008 Head of CSS, Burckhardt Compression AG, Switzerland
1999–2001 Head Sales and Contracting HPI, Sulzer-Burckhardt AG, Switzerland
1989–1999 Project Manager and Marketing & Sales Manager for Burckhardt compressors, Sulzer Inc., USA
1986–1989 Design Engineer, Sulzer-Burckhardt AG, Switzerland

Other activities and commitments
– President of the Swiss-CIS/Georgia Chamber of Commerce
– Vice President of AZW Winterthur, Switzerland

ROLF BRÄNDLI (1968)

Education
Degree in Business Administration, HWV Zurich, Switzerland

Professional background
Since 2008 CFO, Burckhardt Compression Group, Switzerland
2001–2008 Head of Finance & Administration, Sulzer Brasil S.A., Brazil; Regional Controller, Sulzer Pumps South America & South Africa
1997–2001 Regional Controller Asia/Pacific, Sulzer International Ltd.; General Manager, Sulzer Hong Kong Ltd., Hong Kong, SAR China
1994–1997 Management Consultant, OBT Treuhand AG Zurich, Switzerland

SANDRA PITT (1971)

Education

Degree in Business Administration/Business Informatics, Germany, MBA International Finance/International HR, American University Washington, USA

Professional background

Since 2015 CHRO, Burckhardt Compression Group, Switzerland
2013–2015 Head Corporate HR, AFG Management AG, Switzerland
2012–2013 Head of HR Central Europe, Holcim (Schweiz) AG, Switzerland
2010–2012 Head of HR, Holcim (Schweiz) AG, Switzerland
2007–2009 Head of HR, BASF Group Switzerland, BASF Schweiz AG, Switzerland
2006–2007 HR Specialist Region Europe, BASF AG, Germany
2003–2006 Internal Consultant Performance Management, BASF AG, Germany
2002–2003 HR Coordinator Europe, BASF AG, Germany

FABRICE BILLARD (1970)

Education

Master of Science in Aeronautics and Aerospace Engineering, Ecole Centrale Paris, France

Professional background

Since 2016 President Systems Division, Burckhardt Compression Group, Switzerland
2015–2016 Chief Strategy Officer, Sulzer, Switzerland
2012–2015 Head Business Unit Mass Transfer Technology, Sulzer Chemtech, Switzerland/Singapore
2010–2012 Head Europe, Middle East, India, Russia & Africa Business Unit, Mass Transfer Technology, Sulzer Chemtech, Switzerland
2008–2010 Vice President Business Development, Sulzer Chemtech, Switzerland
2005–2008 Head Global Customer Services, Sulzer Pumps, Switzerland
2004–2005 Strategic Development Manager, Sulzer Corporate, Switzerland
1999–2004 Principal, The Boston Consulting Group, Switzerland/France

RAINER DÜBI (1969)

Education

Degree in Mechanical Engineering, HTL Winterthur, MASBA School of Management, Switzerland

Professional background

Since 2019 President Services Division, Burckhardt Compression Group, Switzerland
2012–2019 Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland
2010–2012 Senior Sales Manager, Burckhardt Compression AG, Switzerland
2007–2010 Manager Sizing, Burckhardt Compression AG, Switzerland
2003–2007 Sizing Project Engineer, Burckhardt Compression AG, Switzerland
2001–2003 Commissioning Lead Engineer, Alstom, Switzerland
1999–2001 Commissioning Engineer, ABB, Switzerland

4.3. Rules in the Bylaws concerning the number of permitted activities

Members of the Executive Management may not hold more than five (5) additional board memberships, whereof not more than two (2) additional may be in listed companies.

4.4. Management contracts

There are no management contracts with third parties.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

The principles and elements of compensation paid to members of the Board of Directors and the Executive Management as well as the authority and the mechanisms used to determine such compensation are explained in the Compensation Report on pages 69 to 77.

The shareholdings of the members of the Board of Directors and the Executive Management in Burckhardt Compression Holding AG are listed in the Compensation Report on pages 69 to 77 and in the financial statements, note 103, "Share capital and shareholders" on page 108.

Burckhardt Compression Group did not grant any loans, credit or collateral to any of the members of the Board of Directors or the Executive Management in fiscal year 2020 and there are no arrangements of this nature outstanding.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1. Voting rights restrictions and representation of voting rights

No person or entity will be registered as a shareholder in the Share Register for more than 5% of the issued share capital. This entry restriction is also applicable to persons whose shares are held, in whole or in part, by nominees. This restriction is also valid if shares are acquired through the exercise of subscription, option, or conversion rights. This restriction on voting rights does not apply to shareholders who were in possession of more than 5% of the shares of Burckhardt Compression Holding AG before the IPO. There is no provision for measures to remove restrictions.

A shareholder may be represented at the Annual General Meeting by the independent proxy holder or by another person with legal capacity. All shares held by a shareholder can only be represented by one person.

6.2. Statutory quorums

A majority of at least two-thirds of the voting rights represented is required for changes to the company's Bylaws.

6.3. Convocation of the General Meeting of Shareholders

None of the applicable rules deviate from the law.

6.4. Inclusion of items on the agenda

Shareholders who together represent at least 10% of the share capital can ask for an item to be included on the agenda of the General Meeting. The Board of Directors must receive written proposals for items to be included on the agenda, specifying the issue to be discussed and the shareholders' proposals, at the latest 40 days before the date of the General Meeting.

6.5. Entries in the Share Register

The record date for registered shareholders to be entered in the Share Register prior to an Annual General Meeting will be stated in the invitation to the Annual General Meeting.

7. CHANGES OF CONTROL AND DEFENSIVE MEASURES

7.1. Obligation to make an offer

Once a shareholder acquires 33⅓% of share capital and voting rights, he/she will be under an obligation to submit a public tender offer. The Bylaws contain neither an opting-out nor an opting-up clause.

7.2. Clauses on change of control

There are no provisions for special severance payments for members of the Board of Directors or members of the Executive Management in the event of a change of control over Burckhardt Compression Holding AG.

8. AUDITORS

8.1. Duration of mandate and term of office of the auditor in charge

PricewaterhouseCoopers AG (PwC) has been the statutory auditor of Burckhardt Compression Holding AG since 2002 and is also in charge of the audit of the consolidated financial statements. The statutory auditor is elected by the General Meeting of Shareholders for one year at a time. Burckhardt Compression plans to tender its external audit contracts at least every 10 years and examine all bids received. The most recent invitation to tender was issued during the fiscal year 2012. PwC was awarded the contract in March 2013 as decided by the Board of Directors and PwC was re-elected as statutory auditor by the General Meeting of Shareholders in 2013. The auditor in charge will be changed after a maximum period of seven years. Sandra Böhm Uglow has served as auditor in charge since the 2020 reporting period.

8.2. Auditor's fees

Total fees for auditing services provided by PwC worldwide during fiscal year 2020 amounted to TCHF 354 (previous year: TCHF 343).

8.3. Additional fees

The additional fees for services provided by PwC worldwide during fiscal year 2020 are in the amount of TCHF 78 (previous year: TCHF 0). Additional services rendered by PwC outside the audit mandate in the previous year are compatible with the audit assignment.

8.4. Information tools of the external auditors

The Audit Committee assists the Board of Directors in monitoring the Company's accounting and financial reporting. It assesses the internal control procedures, the management of business risks, the audit plan and scope, the conduct of the audits, and their results. The Audit Committee also reviews the auditor's fees. The statutory auditor is present during the examination of the consolidated annual and semi-annual financial statements. Once a year, the members of the Audit Committee receive from the statutory auditor a summary of the audit findings and suggested improvements. The Audit Committee held three regular meetings during the 2020 reporting period, each lasting between 1.5 and 3.5 hours. The auditor in charge and another representative of the auditor took part in these meetings.

9. INFORMATION POLICY

Burckhardt Compression Holding AG reports order intake, sales, operating results, balance sheet, cash flow, and changes in shareholders' equity on a semi-annual basis, together with comments on the trend of business and the outlook for the future. Burckhardt Compression Holding AG provides price-sensitive information in accordance with the ad hoc disclosure requirements set out in the Listing Rules of the SIX Swiss Exchange. Burckhardt Compression Holding AG will send potentially price-sensitive information to all interested parties via an email distribution list. Financial reports are available on our website (www.burckhardtcompression.com) and will be delivered to interested parties on request.

Key dates for 2021 and 2022

July 2, 2021

Annual General Meeting (virtual)

November 2, 2021

Results for the first half of 2021 (closing September 30, 2021)

June 8, 2022

2021 Annual Report (closing March 31, 2022)

July 1, 2022

Annual General Meeting

Details of these dates, possible changes, the company profile, current share prices, presentations, and contact addresses can be found at www.burckhardtcompression.com, where interested parties can also subscribe to the email distribution list.

COMPENSATION REPORT

1. BASIS

This Compensation Report describes the policies and system in place for the compensation of the Board of Directors and the Executive Management of Burckhardt Compression, together with information on their annual compensation. This report was prepared in accordance with the provisions of the Swiss Federal Ordinance Against Excessive Compensation in Listed Companies (OAEC), the Directive on Information relating to Corporate Governance (DCG) issued by the SIX Swiss Exchange, and the Bylaws of Burckhardt Compression Holding AG.

2. COMPENSATION POLICY

Burckhardt Compression has established a transparent and long-term-oriented compensation system. The objectives pursued with this system are to ensure that the compensation of the Board of Directors and the company executives is market-competitive competitive and to achieve a good balance between the interests of the shareholders, the directors, and executive management. Market-competitive pay is a basic prerequisite for attracting well-qualified directors and executives and ensuring that they remain with the company for the long run.

3. ORGANIZATION, DUTIES, AND POWERS

The Nomination and Compensation Committee (NCC) is comprised of at least two members of the Board of Directors. The members of the NCC are elected individually and annually by the Annual General Meeting and their term of office shall expire at the end of the next Annual General Meeting. The Annual General Meeting of July 3, 2020 elected Dr. Monika Krüsi and Dr. Stephan Bross to the Nomination and Compensation Committee. The Board of Directors appointed Dr. Monika Krüsi Chair of the Nomination and Compensation Committee.

The NCC meets at least twice a year. The CEO and CHRO attend these meetings in an advisory capacity, except during deliberation on meeting topics that pertain to themselves. The Nomination and Compensation Committee held three meetings during the 2020 fiscal year.

The duties and powers of the NCC are set forth in the company's Bylaws and Organizational Regulations (www.burckhardtcompression.com/corporate-governance). The NCC supports the Board of Directors in the performance of its duties pertaining to the compensation and personnel policies of the company and the entire Group as prescribed by law or the company's Bylaws. The most important duties and powers of the NCC with regard to compensation are given in the table below.

The Annual General Meeting of Burckhardt Compression Holding AG casts the following votes in relation to the compensation of the Board of Directors and Executive Management:

- a prospective vote on the maximum aggregate amount of fixed compensation for the Board of Directors and the Executive Management for the fiscal year following the Annual General Meeting
- a retrospective vote on the maximum aggregate amount of variable compensation for the Executive Management for the fiscal year preceding the Annual General Meeting.

Furthermore, the Annual General Meeting casts a consultative vote on the Compensation Report.

4. COMPENSATION SYSTEM

Burckhardt Compression Group's compensation system consists of a mix of fixed and variable components. In accordance with the Bylaws of Burckhardt Compression Holding AG, variable compensation can be paid in whole or part in the form of shares, conditional rights to receive shares, or in comparable instruments of the company.

Topic	Proposal/recommendation by	Approval authority
Compensation principles and guidelines	NCC	BOD
Compensation Report	NCC	BOD
Compensation of Board of Directors	NCC	BOD
Compensation of Executive Management	NCC	BOD
Loans to members of the Executive Management	CEO	NCC

4.1. Compensation system for the Board of Directors

Compensation for the Board of Directors consists of a fixed component, 80% of which is paid in cash, 20% in shares; a fixed cash supplement for directors who serve on a formal Board committee; and a fixed lump-sum for expenses. The number of shares awarded is based on the average share price (daily closing price on the SIX exchange) for the period between the announcement of the full-year results and the Annual General Meeting.

The fixed component amounts to CHF 81'000 for members of the Board of Directors. On July 3, 2020 the Annual General Meeting approved the proposal to adjust the fixed component paid to the Chairman of the Board of Directors on the basis of a benchmark study of 13 engineering firms in Switzerland. As a result, the fixed component was raised as per July 4, 2020 from CHF 134'000 per year to CHF 184'000 per year. The fixed cash supplement for directors serving on a formal Board committee is CHF 10'000 a year. The lump sum for expenses is CHF 4'000 for members of the Board of Directors and CHF 6'000 per year for the chairman of the Board of Directors.

4.2. Compensation system for the Executive Management

Compensation of the Executive Management consists of three components:

- a fixed base salary
- a variable performance- and profit-related annual bonus paid in cash
- variable performance- and profit-related long-term incentive bonus awarded in the form of free shares.

Base salary The functions performed by members of the Executive Management are assigned to so-called Global Grades as defined by a global functional grading system (Willis Towers Watson Global Grading System). Market data for each Global Grade based on Willis Towers Watson's Global 50 Remuneration Planning Report and the results of annual executive performance appraisals are taken into consideration when determining the base salary of the members of the Executive Management.

Annual Bonus The members of the Executive Management receive a variable performance- and profit-related bonus in addition to their base salaries. A new annual bonus plan for the Executive Management went into effect in fiscal year 2020. The annual bonus is calculated from the net income of Burckhardt Compression Group – if a minimum financial threshold of 4% return on sales at the net profit level is achieved – and a percentage rate determined by the Global Grade. The percentage rate applied for the CEO is 0.28%. The percentage rate for other members of the Executive Management – depending on their Global Grade – ranges from 0.12% to 0.16%. The annual bonus is limited to 50% of base salary.

Long-term incentive pay Members of the Executive Management additionally receive long-term incentive pay awarded in the form of free shares. The long-term bonus program is valid

for a six-year period (fiscal years 2017–2022). Long-term incentive pay is based on the attainment of the targets for organic growth (sales) and net income of Burckhardt Compression Group for fiscal years 2018 to 2022 of the Mid-Range Plan period as well as for the 2017 fiscal year.

The basis upon which the long-term incentive pay is calculated consists of a fixed, predefined amount per Global Grade. If the sales and net income targets set in the Mid-Range Plan are attained by the end of the fiscal year 2022, this fixed amount will be multiplied by a factor of 1.0 (0.5 each for sales and net income) and awarded in the form of shares (free shares). The targeted amount of the long-term bonus for the entire six-year period is CHF 900'000 for the CEO and between CHF 450'000 and CHF 600'000 for the other members of the Executive Management, depending on their Global Grade. The sales target in the Mid-Range Plan (aggregate) for the six years amounts to CHF 3'819 mn; the net income target (aggregate) is CHF 300 mn. If the targets are only partially achieved, the factors will be reduced by a corresponding amount. Minimum financial targets have been defined for both cumulative sales and for cumulative net income. The minimum cumulative sales target is set at CHF 3'346 mn, minimum cumulative net income at CHF 195 mn. If cumulative sales or net income fall short of these minimum thresholds, the corresponding factor will be reduced to zero. If the Mid-Range Plan targets for sales or net income are exceeded, the corresponding factors will be increased up to a maximum amount of 0.6 each (1.2 in total).

An interim evaluation of the attained targets was conducted after three years. Members of the Executive Management whose employment with the company had not been terminated as of July 31, 2020 were on that date awarded a number of free shares for the fiscal years 2017, 2018, and 2019, based on attainment of the targets. These free shares were distributed at the end of July 2020. The factors used for the multiplication of the fixed amount in the interim evaluation are limited to 0.3 each (total 0.6). If cumulative sales or net income fall short of the minimum thresholds, the corresponding factor is reduced to zero. The second allotment of free shares for the fiscal years 2020, 2021, and 2022 will be distributed at the end of July 2023, subject to approval by the Annual General Meeting and provided that the employment contract for the respective Executive Management members has not been terminated. Persons subsequently appointed to the Executive Management will be entitled to long-time incentive pay on a pro rata basis. The number of shares awarded will be based on the average share price for the periods from the announcement of the full-year results to the annual general meetings for the fiscal years 2019 and 2022, respectively.

All shares received will not be subject to any restrictions upon the date of transfer.

Employment contract terms Employment contracts with Executive Management members are entered into for an indefinite period with a notice period of six months.

5. COMPENSATION PAID WITH COMPARATIVE FIGURES FOR THE PREVIOUS YEAR

5.1. Compensation paid to the Board of Directors

The following aggregate compensation was paid to the members of the Board of Directors for the fiscal years 2020 and 2019:

in CHF 1'000				2020
Name	Function	Fees	Social insurance contributions and other benefits	Total
Members of the Board of Directors				
Ton Büchner ¹	Chairman	145	14	159
Valentin Vogt ²	Chairman	36	5	41
Urs Leinhäuser	Member	91	10	101
Dr. Monika Krüsi	Member	101	10	111
Dr. Stephan Bross	Member	91	4	95
David Dean	Member	91	12	103
Total		555	55	610
Approved by the 2020 AGM for FY 2020				640 ⁵

in CHF 1'000				2019
Name	Function	Fees	Social insurance contributions and other benefits	Total
Members of the Board of Directors				
Valentin Vogt	Chairman	144	18	162
Urs Leinhäuser	Member	91	10	101
Dr. Monika Krüsi	Member	101	11	112
Dr. Stephan Bross	Member	91	4	95
David Dean ³	Member	68	9	77
Hans Hess ⁴	Deputy Chairman	23	3	26
Total		518	55	573
Approved by the 2018 AGM for FY 2019				580 ⁶

¹ From July 4, 2020
² Until July 3, 2020
³ From July 7, 2019
⁴ Until July 6, 2019
⁵ This amount includes a contingency reserve of CHF 15'000.
⁶ This amount includes a contingency reserve of CHF 11'000.

The total fixed compensation in the fiscal year under review is CHF 37'000 above the previous fiscal year. This increase is due to the adjustment of the fixed component paid to the Chairman of the Board of Directors. The Annual General Meeting of July 3, 2020 approved aggregate fixed compensation in the amount of CHF 640'000 (gross, incl. social insurance contributions) for the Board of Directors (5 persons) for fiscal year 2020. The amount of compensation actually paid was CHF 30'000 less than the approved amount.

5.2. Compensation paid to the Executive Management

The following compensation was paid to the members of the Executive Management for the fiscal years 2020 and 2019:

in CHF 1'000									2020
Name	Function	Fixed base salary, cash	Social insurance contributions and other benefits	Total fixed compensation (gross)	Variable annual bonus, cash	Share-based long-term incentive pay	Social insurance contributions and other benefits	Total variable compensation (gross)	Total
Executive Management									
Marcel Pawlicek	CEO	438	115	553	125	150	88	363	916
Other members of the Executive Management		1'127	263	1'390	267	375	199	841	2'231
Total		1'565	378	1'943	392	525	287	1'204	3'147
Approved by the 2019 AGM for FY 2020				2'120¹					

in CHF 1'000									2019
Name	Function	Fixed base salary, cash	Social insurance contributions and other benefits	Total fixed compensation (gross)	Variable annual bonus, cash	Share-based long-term incentive pay	Social insurance contributions and other benefits	Total variable compensation (gross)	Total
Executive Management									
Marcel Pawlicek	CEO	431	111	542	107	98	45	250	792
Other members of the Executive Management		1'210	271	1'481	285	231	104	620	2'101 ²
Total		1'641	382	2'023	392	329	149	870	2'893
Approved by the 2018 AGM for FY 2019				2'120³					

¹ This amount includes a contingency reserve of CHF 200'000.
² This amount includes Rainer Dübi's compensation for the 2019 fiscal year and pro rata compensation for Martin Wendel until August 31, 2019.
³ This amount includes a contingency reserve of CHF 250'000.

The CEO's fixed compensation for the period under review is comparable to the level from the previous fiscal year. The total amount of fixed compensation for the other members of the Executive Management is CHF 91'000 less than in the prior-year period. This is because fixed compensation was paid to 5 persons during the reporting period, whereas in the previous year compensation was paid to 6 persons over 5 months. The Annual General Meeting of July 6, 2019 approved a total sum of CHF 2'120'000 (gross, including social insurance contributions) for the fixed compensation of the entire Executive Management for the fiscal year 2020. The amount of fixed compensation actually paid (gross, including social insurance contributions) was CHF 177'000 less than the approved amount.

The annual bonus for the Executive Management in fiscal year 2020 was the same as in the previous year. Personnel expenses for the Executive Management's long-term incentive pay rose by CHF 196'000 from the previous year. The provision made for the long-term incentive pay has been adjusted based on the assessment of business performance over a multi-year period. Such an adjustment is in accordance with Swiss GAAP FER, requiring that the related expenses must be allocated over the program's vesting period, which can lead to adjustments within individual fiscal years.

The total variable compensation for the individual members of the Executive Management for the period under review ranged from 36% to 40% of total compensation.

6. OVERVIEW OF SHAREHOLDINGS AND DISTRIBUTED SHARES

6.1. Detailed overview of distributed shares

In the fiscal years 2019 and 2020 the following shares were distributed:

Name	Function	Shares distributed in FY 2019	Shares distributed in FY 2020
Members of the Board of Directors			
Ton Büchner ¹	Chairman	0	0
Valentin Vogt ²	Chairman	104	146
Urs Leinhäuser	Member	63	71
Dr. Monika Krüsi	Member	63	71
Dr. Stephan Bross	Member	63	71
David Dean ³	Member	0	53
Hans Hess ⁴	Deputy Chairman	15	0
Total		308	412
Executive Management			
Marcel Pawlicek	CEO	0	1'376
Other members of the Executive Management		0	3'043
Total⁵		0	4'419
Total		308	4'831

¹ From July 4, 2020
² Until July 3, 2020
³ From July 7, 2019
⁴ Until July 6, 2019
⁵ Shares are not allocated or are not distributed under the long-term incentive pay program every year.

6.2. Detailed overview of shareholdings

As of March 31, 2021, the members of the Executive Management, and the Board of Directors (and related persons) owned the following numbers of shares of Burckhardt Compression Holding AG:

		31/03/2021	31/03/2020
Name	Function	Total shares	Total shares
Members of the Board of Directors			
Ton Büchner ¹	Chairman	5'000	n/a
Valentin Vogt ²	Chairman	n/a	203'392
Urs Leinhäuser	Member	1'714	1'643
Dr. Monika Krüsi	Member	1'119	1'048
Dr. Stephan Bross	Member	349	278
David Dean	Member	408	355
Total		8'590	206'716
Executive Management			
Marcel Pawlicek	CEO	41'937	42'111
Rolf Brändli	CFO	2'423	1'702
Sandra Pitt	CHRO	908	278
Fabrice Billard	President Systems Division	1'300	600
Rainer Dübi	President Services Division	824	600
Total		47'392	45'291
Total Board of Directors and Executive Management		55'982	252'007
As a % of all outstanding shares		1.7%	7.4%

¹ From July 4, 2020
² Until July 3, 2020

7. TRANSACTIONS WITH THE BOARD OF DIRECTORS, THE EXECUTIVE MANAGEMENT, AND RELATED PARTIES

No other payments or fees for additional services were paid to the members of the Board of Directors or the Executive Management or to related parties during the fiscal year 2020. No signing bonuses were paid during the fiscal year 2020. At the reporting date no loans, credit lines, or pension benefits over and above those provided by mandatory occupational pension plans had been granted to members of the company's boards.

8. MOTIONS FOR THE ANNUAL GENERAL MEETING

8.1. Approval of the maximum aggregate amount of variable compensation for the Executive Management for fiscal year 2020

The Board of Directors proposes that an aggregate amount of CHF 1'204'000 (gross, including social insurance contributions and other benefits) be approved as variable compensation for the Executive Management for fiscal year 2020.

8.2. Consultative vote on the Compensation Report for fiscal year 2020

The Board of Directors proposes that shareholders approve the Compensation Report for fiscal year 2020 in a consultative vote.

8.3 Approval of the maximum aggregate amount of fixed compensation for the members of the Board of Directors for fiscal year 2022

The Board of Directors proposes that a maximum aggregate amount of CHF 750'000 (gross, including social insurance contributions and other benefits) be approved as fixed compensation for the Board of Directors for fiscal year 2022. The proposed amount includes a contingency reserve of CHF 110'000.

8.4. Approval of the maximum aggregate amount of fixed compensation for members of the Executive Management for fiscal year 2022

The Board of Directors proposes that a maximum aggregate amount of CHF 2'400'000 (gross, including social insurance contributions and other benefits) be approved as fixed compensation for the Executive Management for fiscal year 2022. The proposed sum includes a contingency reserve of CHF 375'000.

9. EVALUATION OF THE COMPENSATION SYSTEM

Burckhardt Compression's compensation system is regularly reviewed by the Nomination and Compensation Committee and the Board of Directors and may be modified if necessary.

A compensation benchmark based on external salary surveys compiled by Willis Towers Watson and presented in its Global 50 Remuneration Planning Report is one element of the integrated compensation system for the Executive Management. During the 2020 fiscal year benchmarking was carried out using this market data; account was also taken of insights from the market benchmarking carried out in 2019 with 13 listed Swiss industrial companies.

Report of the statutory auditor

to the General Meeting of Burckhardt Compression Holding AG

Winterthur

We have audited the remuneration report of Burckhardt Compression Holding AG for the year ended 31 March 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 71 to 72 of the remuneration report.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the remuneration report of Burckhardt Compression Holding AG for the year ended 31 March 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Sandra Böhm Uglow

Audit expert
Auditor in charge



Oliver Illa

Audit expert

Winterthur, 27 May 2021

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FINANCIAL REPORT

Burckhardt Compression Holding AG's fiscal year 2020 comprises the period from April 1, 2020 to March 31, 2021.

COMMENTS ON FINANCIAL REPORT

Summary

	2020	2019	Change 2019/2020
in CHF 1'000			
Order intake	676'631	607'303	11.4% ¹
Sales	658'580	629'585	4.6%
Gross profit	166'157	149'785	10.9%
Operating income (EBIT)	60'816	54'795	11.0%
in % of sales	9.2%	8.7%	
Net income	47'201	39'871	18.4%
Total assets	797'497	883'002	-9.7%
Total equity	219'603	317'506	-30.8%
Earnings per share attributable to shareholders of Burckhardt Compression Holding AG (in CHF)	13.00	9.56	36.0%
FTEs as per end of fiscal year	2'538	2'621	-3.2%

¹ Excluding the effects of currency translation and acquisitions: 9.9%

SALES AND GROSS PROFIT

Sales in the 2020 fiscal year increased by 4.6% to CHF 658.6 mn. Excluding the effects of currency translation and acquisitions, year-on-year sales growth was 4.4%. Owing to the high order backlog in recent years, sales at the Systems Division rose by 5.5% (no impact from acquisitions) to CHF 409.8 mn, while the Services Division reported a 3.1% increase to CHF 248.8 mn (excluding acquisitions: -5.1%). Sales grew mainly across the regions Europe and Middle East, while China clearly remained the strongest region.

Gross profit increased by 10.9% to CHF 166.2 mn, giving a higher gross profit margin of 25.2% (previous year: 23.8%). The gross profit at the Systems Division went up 38.1% to CHF 59.1 mn, resulting in a gross profit margin of 14.4% (previous year: 11.0%, including final additional costs incurred in the LNGM business), despite the low capacity utilization in the second half of the period under review. Gross profit at the Services Division remained with CHF 107.1 mn almost unchanged to the previous year. The Division's gross profit margin slipped from 44.3% to 43.0%, mainly because of margin dilution resulting from the consolidation of Arkos Field Services as well as reduced capacity utilization due to the temporary closure of some service centers in the wake of the coronavirus pandemic.

OPERATING INCOME

Consolidated operating income rose by 11.0% to CHF 60.8 mn, yielding an EBIT-margin of 9.2% (previous year: 8.7%). Selling, marketing and general administrative expenses amounted to CHF 93.1 mn (14.1% of sales). Despite the inclusion of a full year of Arkos Field Services (previous year only four months), this is CHF 0.1 mn less than in fiscal year 2019. Research and development expenses rose by CHF 4.8 mn to CHF 15.4 mn, due to the higher number of ongoing projects, including those involving innovative applications such as new marine solutions and H₂ mobility and energy. Other operating income was mainly consisting of the contribution from the real estate company in Winterthur and came to CHF 3.1 mn. This reduction of CHF 5.6 mn compared to prior year is largely attributable to currency translation effects and lower state subsidies in China.

FINANCIAL INCOME AND TAX EXPENSES

Financial expenses lowered by CHF 3.1 mn to CHF 1.6 mn, mainly as a result of positive foreign exchange impacts on inter-company loans. Income tax expenses increased by CHF 4.3 mn to CHF 12.0 mn. The resulting tax rate increased to 20.3%. The very low prior year level of 16.2% was affected by a one-off reduction of income tax expenses in Switzerland due to an according tax reform and a higher share of taxable income in locations with tax exemptions.

NET INCOME

Group net income increased by 18.4% to CHF 47.2 mn or 7.2% of sales (previous year: 6.3%). Owing to the acquisition of the remaining shares of Shenyang Yuanda Compressor Co. Ltd. per January 2021, earnings per share attributable to shareholders of Burckhardt Compression increased significantly from CHF 9.56 to CHF 13.00 (+36.0%).

BALANCE SHEET

The balance sheet total lowered by 9.7% to CHF 797.5 mn. Property, plant and equipment decreased by 11.1% to CHF 180.1 mn, mainly due to the netting of the new real estate in Shenyang with related government grants. Inventories lowered by 28.0% to CHF 190.4 mn, mainly due to the lower work in progress as per closing date. Trade accounts receivables ended the fiscal year at CHF 260.4 mn, slightly above the previous year. 27.9% of the accounts receivables were overdue more than 60 days as per year-end (prior year: 37.2%). While several long-term overdue positions could be collected in the year under review, the majority of overdue receivables is still related to projects in China. The balance between advance payments from customers compared to work in progress and advance payments to suppliers ended the year at CHF 11.5 mn (previous year: CHF -47.0 mn). The equity ratio lowered to 27.5% (previous year: 36.0%) mainly as a result of the derecognition of minorities from the acquisition of the remaining 40% of Shenyang Yuanda Compressor and the goodwill offset from the acquisition of the JSW compressor business. Total net operating assets ended the year at CHF 357.2 mn (previous year: CHF 383.7 mn).

CASH FLOW

Cash and cash equivalents lowered by CHF 14.9 mn to CHF 75.4 mn by the end of fiscal year 2020. Cash flow from operating activities increased by CHF 81.5 mn to CHF 132.2 mn, mainly due to changes in net working capital. The net cash outflow from investing activities was amounting to CHF -40.4 mn (previous year: CHF -49.7 mn), including CHF 21.2 mn for the acquisition of JSW's compressor business. Total cash outflow from financing activities was at CHF -109.5 mn, including the payment of dividends amounting to CHF 30.0 mn and the payment of CHF 50.4 mn for the first installment of the acquisition of the remaining 40% of the shares of Shenyang Yuanda Compressor Co. Ltd. The net financial position (net debt) improved to CHF -82.4 mn (prior year: CHF -91.7 mn).

CONSOLIDATED INCOME STATEMENT

	Notes	2020	2019
in CHF 1'000			
Sales		658'580	629'585
Cost of goods sold		-492'423	-479'800
Gross Profit		166'157	149'785
Selling and marketing expenses		-47'997	-50'455
General and administrative expenses		-45'064	-42'753
Research and development expenses	7	-15'358	-10'513
Other operating income	8	21'055	41'955
Other operating expenses	8	-17'977	-33'224
Operating income		60'816	54'795
Share of results of associates	14	-	-2'494
Financial income and expenses	9	-1'616	-4'741
Earnings before taxes		59'200	47'560
Income tax expenses	10	-11'999	-7'689
Net income		47'201	39'871
Share of net income attributable to shareholders of Burckhardt Compression Holding AG		44'034	32'390
Share of net income attributable to non-controlling interests		3'167	7'481
Basic earnings per share (in CHF)	11	13.00	9.56
Diluted earnings per share (in CHF)	11	13.00	9.56

The enclosed notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	Notes	03/31/2021	03/31/2020
in CHF 1'000			
Non-current assets			
Intangible assets	12	12'351	12'943
Property, plant and equipment	13	180'080	202'632
Investment in associates	14	-	-
Deferred tax assets	10	14'514	14'513
Other financial assets	15	4'005	4'034
Total non-current assets		210'950	234'122
Current assets			
Inventories	16	190'435	264'479
Trade receivables	17	260'395	256'121
Other current receivables	18	56'981	33'377
Prepaid expenses and accrued income		3'366	4'584
Cash and cash equivalents		75'370	90'319
Total current assets		586'547	648'880
Total assets		797'497	883'002
Equity			
Share capital	19	8'500	8'500
Capital reserves		486	435
Treasury shares	19	-2'206	-5'216
Retained earnings and other reserves		212'324	269'763
Equity attributable to shareholders of Burckhardt Compression Holding AG		219'104	273'482
Non-controlling interests		499	44'024
Total equity		219'603	317'506
Liabilities			
Non-current liabilities			
Non-current financial liabilities	20	133'070	88'713
Deferred tax liabilities	10	11'097	13'620
Non-current provisions	21	14'485	14'311
Other non-current liabilities	22	3'916	7'616
Total non-current liabilities		162'568	124'260
Current liabilities			
Current financial liabilities	20	24'726	93'259
Trade payables		92'474	91'337
Customers' advance payments		131'677	145'297
Other current liabilities	23	73'817	13'895
Accrued liabilities and deferred income	24	66'065	77'122
Current provisions	21	26'567	20'326
Total current liabilities		415'326	441'236
Total liabilities		577'894	565'496
Total equity and liabilities		797'497	883'002

The enclosed notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2020	2019
in CHF 1'000			
Cash flow from operating activities			
Net income		47'201	39'871
Income tax expenses	10	11'999	7'689
Financial income and expenses	9	1'616	4'741
Share of results of associates	14	–	2'494
Depreciation	13	17'476	17'416
Amortization	12	3'632	3'133
Change in inventories		77'305	–36'129
Change in trade receivables		3'906	5'331
Change in other current assets		10'902	–6'544
Change in trade payables		–1'448	1'180
Change in customers' advance payments		–17'977	23'494
Change in provisions		4'045	–70
Change in other liabilities		–20'517	1'947
Adjustment for non-cash items		6'435	2'455
Interest received		449	227
Interest paid		–2'365	–2'865
Income taxes paid	10	–10'464	–13'627
Total cash flow from operating activities		132'195	50'743
Cash flow from investing activities			
Purchase of property, plant and equipment	13	–17'425	–29'484
Sale of property, plant and equipment		1'226	2'555
Purchase of intangible assets	12	–2'938	–4'851
Increase in financial assets		–	–2'100
Acquisition of group companies net of cash acquired	4	–21'227	–15'783
Total cash flow from investing activities		–40'364	–49'663
Cash flow from financing activities			
Increase in financial liabilities		100'154	43'010
Decrease in financial liabilities		–126'109	–5'710
Purchase of treasury shares		–3'153	–3'735
Acquisition of non-controlling interests	4	–50'400	–
Dividends paid		–29'954	–22'289
Total cash flow from financing activities		–109'462	11'276
Currency translation differences on cash and cash equivalents		2'682	–5'047
Net change in cash and cash equivalents		–14'949	7'309
Cash and cash equivalents at beginning of period		90'319	83'010
Cash and cash equivalents at end of period		75'370	90'319
Net change in cash and cash equivalents		–14'949	7'309

The enclosed notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital reserves	Treasury shares	Hedge reserve	Translation reserve	Goodwill offset	Other retained earnings	Equity attributable to shareholders of Burckhardt Compression Holding AG	Non-controlling interests	Total equity
in CHF 1'000										
Balance at 04/01/2019	8'500	446	–1'582	–1'405	367	–103'830	399'968	302'464	42'570	345'034
Result for the period							32'390	32'390	7'481	39'871
Currency translation differences					–13'682			–13'682	–4'101	–17'783
Changes of cash flow hedges				789				789		789
Dividends paid							–20'363	–20'363	–1'926	–22'289
Changes in treasury shares			–3'735					–3'735		–3'735
Share-based payments (distributed)		–11	101				–90	–		–
Share-based payments (provision in equity)							2'948	2'948		2'948
Revaluation of 40% Investment Arkos ¹							–9'324	–9'324		–9'324
Goodwill on acquisition ¹						–18'005		–18'005		–18'005
Balance at 03/31/2020	8'500	435	–5'216	–616	–13'315	–121'835	405'529	273'482	44'024	317'506
Balance at 04/01/2020	8'500	435	–5'216	–616	–13'315	–121'835	405'529	273'482	44'024	317'506
Result for the period							44'034	44'034	3'167	47'201
Currency translation differences					10'186			10'186	308	10'494
Changes of cash flow hedges				374				374		374
Dividends paid							–20'180	–20'180	–9'774	–29'954
Changes in treasury shares			–3'153					–3'153		–3'153
Share-based payments (distributed)		51	6'163				–6'214	–		–
Share-based payments (provision in equity)							3'907	3'907		3'907
Goodwill on acquisition ¹						–24'872		–24'872		–24'872
Acquisition of non-controlling interests ¹							–64'674	–64'674	–37'226	–101'900
Balance at 03/31/2021	8'500	486	–2'206	–242	–3'129	–146'707	362'402	219'104	499	219'603

¹ See note 4 "Business Combinations and Other Changes in the Scope of Consolidation"

The enclosed notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Burckhardt Compression is a manufacturer and service provider for a full range of reciprocating compressor technologies and services. Its customized compressor systems are used in the upstream oil & gas, gas transport and storage, refinery, chemical, petrochemical and industrial gas sectors. Burckhardt Compression's leading technology, broad portfolio of compressor components and the full range of services help customers around the world to find their optimized solution for their reciprocating compressor systems.

Burckhardt Compression Holding AG is a company limited by shares incorporated and domiciled in Switzerland. The address of its registered office is: Franz-Burckhardt-Strasse 5, 8404 Winterthur, Switzerland. Burckhardt Compression registered shares (BCHN) are listed on the SIX Swiss Stock Exchange in Zurich (ISIN: CH0025536027).

Burckhardt Compression Holding AG's fiscal year 2020 comprises the period from April 1, 2020 to March 31, 2021. These consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2021 and will be submitted to shareholders for approval at the annual general meeting scheduled for July 3, 2021.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements of Burckhardt Compression Holding AG have been prepared in accordance with the entire Swiss GAAP FER accounting and reporting standards. In addition, the provisions of the Listing Rules of the SIX Swiss Exchange and Swiss accounting law were complied with. The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the following consolidation and accounting policies.

2.2 Use of Judgments and Estimates

These consolidated financial statements include estimates and assumptions that affect the reported figures and related disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.3 Principles of Consolidation

The consolidated financial statements include all entities where Burckhardt Compression Holding AG has the power to control the financial and operating policy, usually as a result of directly or indirectly owning more than 50% of the voting rights. All of the assets and liabilities as well as the income and

expenses of these companies are fully included. Non-controlling interests are presented separately in the balance sheet and the income statement. Intercompany transactions, balances and unrealized gains or losses on transactions between group companies are eliminated. Group companies are disclosed in note 34.

Acquired companies are fully consolidated from the date on which control was effectively transferred. When a company is acquired in a step up acquisition, the existing interest is revalued at the time when the company is first consolidated. The revaluation of shares previously owned is offset against retained earnings. Companies which have been divested are included in the consolidated financial statements until the date on which control ceased. Capital consolidation is based on the acquisition method (purchase method). At the time of the acquisition, all previously recognized assets and liabilities of the company are initially valued at fair value. Acquisition-related costs are expensed as incurred. The net assets acquired are compared with the purchase price, and any resulting goodwill is directly offset against equity. In the notes to the financial statements, the effects of a theoretical capitalization and any impairment are shown using an amortization period of five years. In the event of a possible subsequent sale, the goodwill offset against shareholders' equity at the time of the acquisition is recognized in the income statement against the proceeds of the sale.

Associates are those entities in which Burckhardt Compression has significant influence, but no control, over the financial and operating policies. Significant influence is generally presumed to exist when Burckhardt Compression holds, directly or indirectly, between 20% and 50% of the voting rights. Associates are accounted for using the equity method. The proportionate share of net income is shown in the consolidated income statement. Associates are disclosed in note 34.

2.4 Foreign Currency Translation

The consolidated financial statements of Burckhardt Compression are prepared in Swiss francs (CHF).

Foreign Currency Translation at Company Level

Foreign currency transactions are recorded at the exchange rate of the transaction date. Monetary assets and liabilities which are denominated in foreign currencies are translated at period-end exchange rates. Resulting translation differences are recorded in the income statement.

Foreign Currency Translation for Consolidation Purposes

Assets and liabilities of foreign subsidiaries are translated into CHF using period-end exchange rates. Average exchange rates are used for the translation of the income statements. Translation differences arising from the consolidation of financial statements are recorded as a separate component of equity. Likewise, exchange differences arising on inter-company loans with equity character are directly recorded in equity.

Major Foreign Currency Exchange Rates

	Average rates		Period-end rates	
	2020	2019	03/31/2021	03/31/2020
1 EUR	1.08	1.10	1.11	1.06
1 USD	0.92	0.99	0.94	0.96
100 CNY	13.63	14.16	14.30	13.44

2.5. Impairment of Assets

All non-current assets are tested for impairment when indicators exist that the carrying amount of the asset might exceed its recoverable amount. Where the carrying amount of an asset is higher than the recoverable amount, the asset is impaired to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Impairment tests are performed based on discounted cash flows at the level of the corresponding cash-generating units, representing the lowest level at which such assets are evaluated for recoverability.

2.6 Intangible Assets and Goodwill

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The estimated useful life for software generally amounts to three to five years. Internal costs associated with developing or maintaining software are recognized as an expense as incurred.

Other intangible assets are recorded at acquisition or production costs less accumulated amortization. The amortization expense is calculated on a straight-line basis over the estimated useful life of the asset.

Goodwill resulting from acquisitions is offset against equity at the date of acquisition. The consequences of a theoretical capitalization and amortization of goodwill (using an amortization period of five years) are disclosed in note 12.

2.7 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. They are depreciated on a straight-line basis over their estimated useful lives. Land is stated at cost and is not depreciated, except land use rights in China, which are depreciated over their useful lives. The estimated useful lives are as follows:

- Buildings: 20 to 50 years
- Machinery: 5 to 15 years
- Technical equipment: 5 to 10 years
- Other non-current assets: maximum 5 years

2.8 Other Financial Assets

Other financial assets include loans and long-term rental deposits. They are stated at cost less appropriate impairment losses.

2.9 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of work in progress and finished goods comprises material costs, direct and indirect production costs and

other order-related production costs. Inventories are stated at weighted average costs or standard costs based on their type and use. Valuation allowances are recognized for slow-moving and excess inventory items.

2.10 Trade and Other Current Receivables

Trade receivables and other current receivables are stated at nominal value less valuation allowances for doubtful amounts. Impairments are assessed case by case. An impairment loss is recognized when there is objective evidence that Burckhardt Compression will not be able to collect the full amount due, such as substantial financial problems of the customer or a declaration of bankruptcy.

2.11 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12 Financial Liabilities

Financial liabilities mainly consist of bank debts and a bond. They are recognized at their nominal value. Borrowing related costs are expensed as incurred in the income statement.

2.13 Provisions

Provisions are recognized for warranty obligations, unprofitable contracts, personnel expenses and various commercial risks where Burckhardt Compression has an obligation towards third parties arising from past events, the amount of the liability can be reliably measured and it is probable that the settlement will result in an outflow of resources. The amount of the provisions is based on the expected expenditures required to cover all obligations and liabilities.

2.14 Treasury Shares

Treasury shares are stated at acquisition cost and deducted from equity. No subsequent valuation is made. If the treasury shares are disposed of, the resulting gain or loss is recognized as an addition to or a reduction of capital reserves.

2.15 Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in a loss of control are treated as a transaction with shareholders of Burckhardt Compression. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and the non-controlling interests. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within the equity attributable to shareholders of Burckhardt Compression. The related cash flows are presented as financing activities in the cash flow statement

2.16 Government Grants

Grants from governments or similar organizations are recognized at their nominal value when there is reasonable assurance

that the grant will be received, and Burckhardt Compression will comply with all attached conditions.

Government grants related to income are deferred and recognized as income over the period necessary to match them with the related costs which they are intended to compensate. Government grants related to assets are deducted directly from the carrying amount of the asset which they are intended to compensate.

2.17 Derivative Financial Instruments

Burckhardt Compression uses derivative financial instruments to mitigate currency risks. The risk management policy is described in note 3. The derivative financial instruments are recognized at fair value. Where such derivative financial instruments are linked to specific projected transactions and cash flows, the hedging is deemed to be effective and documented accordingly, changes in the fair value of the cash flow hedges are recognized in equity as long as the hedged item has not been recognized on the balance sheet. Otherwise, the gain or loss relating to fair value changes of the derivative financial instruments is recognized immediately in the income statement as part of other operating income or other operating expenses.

2.18 Revenue Recognition

Burckhardt Compression recognizes revenue arising from the sale of goods and the rendering of services upon completion of the contract, net of sales or value-added taxes, credits, discounts and rebates. Revenue and the related cost of goods sold are recognized in the accounts when the risks and rewards have passed to the customers subject to the conditions of sale. The following conditions must be met in this regard:

- Deliveries have been made and/or the service as per contract has been performed.
- A contractually-agreed sales price exists or can be reliably estimated.
- Collection of the payment is reasonably assured.
- The costs (including those yet to be incurred) can be reliably measured.

2.19 Research and Development

Research and development costs are expensed as incurred.

2.20 Income Taxes

Income tax expenses include all income tax on the taxable profits of the group. Deferred income tax is recorded in full using the liability method. Deferred income tax assets and liabilities arise on temporary differences between the carrying amounts of assets and liabilities under Swiss GAAP FER and their related tax values. The tax rates and laws enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. Deferred income tax assets result from tax loss carry-forwards, tax credits as well as temporary valuation differences of assets and liabilities. They are recognized to the extent that realization through future taxable profits is probable.

2.21 Off-Balance-Sheet Transactions

Contingent liabilities and other non-recognizable commitments are valued and disclosed on each balance sheet date.

2.22 Share-Based Payments

Share-based payments with compensation through equity instruments are valued at fair value at the grant date. The corresponding personnel expenses are distributed over the vesting periods.

2.23 Employee Benefits

There are various pension plans within Burckhardt Compression based on local conditions in their respective countries. An economic obligation is recognized as a liability if the requirements for the recognition of a provision are met under Swiss GAAP FER. An economic benefit is capitalized provided that Burckhardt Compression is entitled to such benefit in the future, for example, to offset future pension expenses.

For Swiss pension plans, economic benefits and/or economic obligations are determined on the basis of the annual financial statements of the pension funds prepared in accordance with Swiss GAAP FER 26. Freely available employer contribution reserves are recognized as financial asset. For foreign plans, the economic impact is determined according to country-specific methods.

2.24 Alternative Performance Measures

Alternative Performance Measures are key figures not defined by Swiss GAAP FER. Burckhardt Compression uses alternative performance measures as guidance parameters for both internal and external reporting to stakeholders. For the definition of Alternative Performance Measures please visit <https://www.burckhardtcompression.com/investors/reports-financial-results/key-figures>.

3. FINANCIAL RISK MANAGEMENT

Basic Principles

The goal of the group-wide risk management policy is to minimize the negative impact of changes in the financing structure and financial markets, particularly with regard to currency fluctuations. Derivative financial instruments such as foreign exchange contracts may be used to address the respective risks. Burckhardt Compression pursues a conservative, risk-averse financial policy. Financial risk management is based on the principles and regulations established by the Board of Directors. These govern Burckhardt Compression's financial policy and outline the conduct and powers of the group's treasury department, which is responsible for the group-wide management of financial risks. The financial principles and regulations govern areas such as financing policy, the management of foreign currency risk, the use of derivative financial instruments and the investment policy applicable to financial resources not required for operational purposes.

Liquidity Risks

Each Burckhardt Compression group company is responsible for managing its liquidity so that day-to-day business can be handled smoothly, while the group treasury is responsible for maintaining the group's overall liquidity. Some of the group subsidiaries may secure loans from local creditors within the limits approved by the group management. The group treasury provides the local group companies with the necessary funds or invests their excess liquidity. The group treasury maintains sufficient liquidity reserves and open credit and guarantee lines to fulfill the financial obligations at all times.

The actual and future cash flows and cash reserves are compiled monthly in a rolling liquidity forecast. The Executive Board and the Board of Directors are informed about the liquidity situation and outlook with the regular financial reporting.

Currency Risks

Burckhardt Compression hedges all major USD-denominated sales transactions of its non-US entities to the extent that such transactions are not fully or partially naturally hedged. EUR-denominated sales and purchase transactions of the Swiss company are fairly evenly balanced when viewed over a period of 1–2 years and are therefore, to a certain extent, naturally hedged at the net profit level over said period. These foreign-exchange flows are regularly monitored by the group treasury; if there is evidence of a sustained shift in these flows, major sales and purchase transactions will be hedged on a case-by-case basis. For this, the group treasury normally uses forward exchange contracts. The other companies belonging to Burckhardt Compression group may, after consultation with group treasury, hedge the foreign-exchange risks of their sales and purchase transactions through local qualified institutions or group treasury, the objective being the optimization of the net profit of each group company as reported in its functional local currency. The group management regularly monitors the changes in the most important currencies and may adjust the hedging policy accordingly in the future. As a globally active corporation, Burckhardt Compression is also exposed to currency risks resulting from the translation into Swiss francs of items in the balance sheets of the foreign group companies. Burckhardt Compression does not hedge these translation risks.

Credit Risks

Credit risk in respect of trade receivables is limited due to the diverse nature and quality of the customer base. Such risk is minimized by means of regular credit checks, advance payments, letters of credit and other tools. There is no concentration of customer-related risks within Burckhardt Compression Group as the most important customers in the project business, which account for a large share of Burckhardt Compression's overall business, vary from one year to the next. In past years Burckhardt Compression experienced no major impairments of receivables.

Credit risks of banks and financial institutions are monitored and managed centrally. Generally, only independently rated parties with a strong credit rating are accepted, and the total volume of transactions is split among several banks to reduce the individual risk with one bank.

Interest Rate Risks

Interest rate risks arise from fluctuations in interest rates which could have a negative impact on the financial position of Burckhardt Compression. Assets and liabilities at variable rates expose Burckhardt Compression to cash flow interest rate risk.

Capital Risks

The capital managed by Burckhardt Compression is its consolidated equity. With regard to its capital management policies, Burckhardt Compression seeks to secure the continuation of its business activities, to achieve an acceptable return for the shareholders and to finance the growth of the business to a certain extent from own cash flow. In order to achieve these objectives Burckhardt Compression can adjust the dividend payments, repay share capital, issue new shares or divest parts of the assets.

4. BUSINESS COMBINATIONS AND OTHER CHANGES IN THE SCOPE OF CONSOLIDATION

Shenyang Yuanda Compressor Co. Ltd. (China)

On February 23, 2021, Burckhardt Compression acquired the remaining 40% of the shares of Shenyang Yuanda Compressor Co. Ltd. Together with the already existing interest of 60%, Burckhardt Compression now holds 100% of the Chinese company.

The purchase price for the remaining 40% amounts to CHF 101.9 mn. The parties have agreed that the purchase price shall be paid in two installments. CHF 50.4 mn was paid at closing and the remaining CHF 51.5 mn will be paid 12 months after the closing date. Burckhardt Compression recognized CHF 50.4 mn as an acquisition of non-controlling interest in the cash flow from financing activities. The acquisition led to a reduction of non-controlling interests in the consolidated statement of equity in the amount of CHF 37.2 mn. The difference of CHF 64.7 mn between the purchase price and the carrying value of the non-controlling interests was recognized in retained earnings.

The Japan Steel Works Ltd. (Japan)

On April 21, 2020, Burckhardt Compression acquired the global compressor business from the Japan Steel Works Ltd. (JSW), a Japanese business based in Tokyo, in an asset deal.

With the acquisition of the global compressor business from JSW, Burckhardt Compression is strengthening its market presence in Japan.

The following table shows the fair value of assets and liabilities acquired at the acquisition date and the goodwill arising from this transaction.

in CHF 1'000	
Inventories	719
Non-current liabilities	-1'794
Current liabilities	-212
Net assets / liabilities acquired at fair value	-1'287
Goodwill from acquisition	24'872
Total purchase price	23'585
Less cash and cash equivalents acquired	-
Less purchase price not yet paid (deferred consideration)	-2'358
Net cash outflow on acquisition	21'227

Arkos Group LLC (USA)

On November 25, 2019, Burckhardt Compression acquired the remaining 60% shares of Arkos Group LLC, a well-established U.S. compression and equipment service provider in the field of gas compression. Together with the already existing interest of 40%, Burckhardt Compression now holds 100% of the US company. With the acquisition of the remaining ownership of Arkos, Burckhardt Compression together with Arkos Field Services

will be the only independent one-stop provider for equipment and service in the upstream, midstream and downstream business.

The following table shows the fair value of assets and liabilities acquired at the acquisition date and the goodwill arising from this transaction.

in CHF 1'000	
Property, plant and equipment	15'263
Inventories	16'842
Deferred Tax Asset	2'861
Trade receivables & Prepaid expenses	16'571
Cash and cash equivalents	1'766
Current liabilities	-11'901
Non-current liabilities	-14'009
Net assets acquired at fair value (excluding pre-existing relationships)	27'393
Trade receivables & Prepaid expenses with BC	244
Current liabilities with BC	-2'664
Non-current liabilities with BC	-25'733
Net assets acquired at fair value (including pre-existing relationships)	-760
Shares previously owned (40%)	-9'020
Goodwill	18'005
Revaluation of shares previously owned	9'324
Total	17'549
Less cash and cash equivalents acquired	-1'766
Net cash outflow on acquisition	15'783

A complete list of all Group companies is shown in note 34.

5. SEGMENT REPORTING

Systems Division

Burckhardt Compression's Systems Division covers a complete range of reciprocating compressor technologies. Its customized compressor systems are used in the upstream oil & gas, gas transport and storage, refinery, chemical, petrochemical and industrial gas sectors. Depending on the customers' needs, Burckhardt Compression offers solutions to minimize life cycle costs of the reciprocating compressor systems or solutions to minimize the capital expenditure.

Services Division

Burckhardt Compression's Services Division is a one-stop pro-

vider of a full range of services for reciprocating compressors and stands for top-quality, high-performance components for all makes of reciprocating compressors, as replacement parts, or to repair or upgrade existing installations. Original spare parts backed by Burckhardt Compression's manufacturing guarantees stand for superior quality and ensure together with various complementary service modules both low life cycle costs as well as the optimal operation of compressor systems.

Others

Certain expenses related to the corporate center are not attributable to a particular segment. They are reported in the column "Others". Furthermore, "Others" includes real estate income and expenses as well as expenses for strategic projects.

in CHF 1'000	Systems Division		Services Division		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales	409'793	388'256	248'787	241'329	-	-	658'580	629'585
Cost of goods sold	-350'731	-345'482	-141'692	-134'318	-	-	-492'423	-479'800
Gross profit	59'062	42'774	107'095	107'011	-	-	166'157	149'785
Gross profit as % of sales	14.4%	11.0%	43.0%	44.3%	-	-	25.2%	23.8%
Operating income	16'182	6'443	51'246	54'692	-6'612	-6'340	60'816	54'795
Operating income as % of sales	3.9%	1.7%	20.6%	22.7%	-	-	9.2%	8.7%

Geographic information

Sales by customer location	2020	2019
in CHF 1'000		
Europe	190'129	135'434
Africa	2'834	4'121
North America	74'507	66'609
South America	7'206	5'691
Middle East	35'782	20'215
China	214'116	240'251
Other Asia & Australia	134'006	157'264
Total	658'580	629'585

Capital expenditure for property, plant and equipment	2020	2019
in CHF 1'000		
Europe	5'127	5'228
Africa	329	6
North America	1'072	1'997
South America	22	11
Middle East	60	282
China	18'222	21'117
Other Asia & Australia	639	843
Total	25'471	29'484

6. PERSONNEL EXPENSES

in CHF 1'000		
	2020	2019
Wages and salaries	-155'630	-151'390
Social security and pension expenses	-31'469	-28'908
Other personnel expenses	-13'219	-16'188
Total personnel expenses	-200'318	-196'486

The personnel expenses contain governmental contributions from overall six countries related to the Corona Virus situation in the amount of CHF 8.0 mn (prior year: CHF 0.0 mn).

7. RESEARCH AND DEVELOPMENT EXPENSES

Research and development activities in the fiscal year 2020 focused on the development of new marine solutions for LNG-carriers as well as for merchant ships. Furthermore, we centered our activities to further enhance our compressor solutions for the hydrogen economy as well as on strengthening our existing product portfolio.

8. OTHER OPERATING INCOME AND EXPENSES

	2020	2019
in CHF 1'000		
Currency exchange gains	8'833	26'016
Other operating income	12'222	15'939
Total other operating income	21'055	41'955
Currency exchange losses	-8'562	-24'863
Other operating expenses	-9'415	-8'361
Total other operating expenses	-17'977	-33'224
Total other operating income and expenses	3'078	8'731

Other operating income includes real estate income of CHF 6.8 mn (prior year: CHF 6.8 mn).

Other operating expenses include real estate expenses amounting to CHF 4.1 mn (prior year: CHF 3.3 mn).

9. FINANCIAL INCOME AND EXPENSES

	2020	2019
in CHF 1'000		
Interest expenses	-3'274	-3'760
Interest income	653	614
Other financial income (+) and expenses (-)	1'005	-1'595
Total financial income and expenses	-1'616	-4'741

Other financial income and expenses include the exchange rate gains and losses on intercompany loans.

10. INCOME TAXES

Income Tax Expenses

	2020	2019
in CHF 1'000		
Current income tax expenses	-14'322	-13'468
Deferred income tax income (+) and expenses (-)	2'323	5'779
Total income tax expenses	-11'999	-7'689

Reconciliation of Income Tax Expenses

	2020	2019
in CHF 1'000		
Earnings before taxes	59'200	47'560
Expected income tax expenses	-13'006	-8'333
Effect of non-recognition of tax loss carry forwards	-2'633	-2'654
Effect of income tax of prior periods	-1'000	85
Effect of changes in tax rates	-	1'058
Effect of Goodwill amortization for tax purposes	1'591	-
Effect of non-deductible expenses/income not subject to tax	3'049	2'155
Total income tax expenses	-11'999	-7'689
as % of earnings before taxes	20.3%	16.2%

The effective tax rate of Burckhardt Compression Group of 20.3% (prior year: 16.2%) corresponds to the weighted average tax rate based on the profit before income taxes and the tax rate of each group company. The higher tax rate is mainly due to the fact that the effective income tax rate in the previous year was influenced by the tax reform in Switzerland (STAF). The exceptionally low tax rate in the previous year was also affected by the higher share of taxable income in countries with lower tax rates.

Current Income Taxes

	2020	2019
in CHF 1'000		
Net current income tax liabilities	2020	2019
Balance as per 04/01/2020 / 04/01/2019	1'944	2'091
Changes in the consolidation scope	-	166
Recognized in the income statement (without withholding taxes)	13'322	13'468
Income taxes paid	-10'464	-13'627
Translation differences	-126	-154
Balance as per 03/31/2021 / 03/31/2020	4'676	1'944
thereof current tax assets	936	829
thereof current tax liabilities	5'612	2'773

Deferred Income Taxes

	2020	2019
in CHF 1'000		
Net deferred income tax liabilities	2020	2019
Balance as per 04/01/2020 / 04/01/2019	-893	6'287
Changes in the consolidation scope	-	-2'861
Recognized in the income statement	-2'323	-5'779
Recognized in equity	98	419
Translation differences	-299	1'041
Balance as per 03/31/2021 / 03/31/2020	-3'417	-893
thereof deferred tax assets	14'514	14'513
thereof deferred tax liabilities	11'097	13'620

Tax Loss Carry-Forwards

	03/31/2021	03/31/2020
in CHF 1'000		
Expiring in the next 3 years	333	595
Expiring in 4 years or later	42'333	36'049
Total tax loss carry forwards	42'666	36'644
Potential deferred tax assets from tax loss carry forwards	9'801	7'690
Effect of non-recognized tax loss carry forwards	-5'480	-2'718
Effective deferred tax assets from tax loss carry forwards	4'321	4'972

12. INTANGIBLE ASSETS

Acquisition Costs

	Software	Other intangible assets	Intangible assets under construction	2020 Total	Software	Other intangible assets	Intangible assets under construction	2019 Total
in CHF 1'000								
Balance as per 04/01/2020 / 04/01/2019	31'992	632	2'106	34'730	29'630	754	2'495	32'879
Changes in the consolidation scope	-	-	-	-	-	-	-	-
Additions	285	30	2'623	2'938	1'540	6	3'305	4'851
Disposals	-963	-	-	-963	-2'473	-36	-	-2'509
Reclassifications	1'303	-	-1'303	-	3'698	-15	-3'683	-
Currency translation differences	287	23	5	315	-403	-77	-11	-491
Balance as per 03/31/2021 / 03/31/2020	32'904	685	3'431	37'020	31'992	632	2'106	34'730

Accumulated Amortization

	Software	Other intangible assets	Intangible assets under construction	2020 Total	Software	Other intangible assets	Intangible assets under construction	2019 Total
in CHF 1'000								
Balance as per 04/01/2020 / 04/01/2019	-21'297	-490	-	-21'787	-20'993	-517	-	-21'510
Changes in the consolidation scope	-	-	-	-	-	-	-	-
Additions	-3'567	-65	-	-3'632	-3'050	-83	-	-3'133
Disposals	963	-	-	963	2'470	36	-	2'506
Reclassifications	-	-	-	-	-15	15	-	-
Currency translation differences	-196	-17	-	-213	291	59	-	350
Balance as per 03/31/2021 / 03/31/2020	-24'097	-572	-	-24'669	-21'297	-490	-	-21'787

Net Book Value

	Software	Other intangible assets	Intangible assets under construction	2020 Total	Software	Other intangible assets	Intangible assets under construction	2019 Total
in CHF 1'000								
As per 04/01/2020 / 04/01/2019	10'695	142	2'106	12'943	8'637	237	2'495	11'369
As per 03/31/2021 / 03/31/2020	8'807	113	3'431	12'351	10'695	142	2'106	12'943

11. EARNINGS PER SHARE

	2020	2019
in CHF 1'000		
Net income attributable to the shareholders of Burckhardt Compression Holding AG	44'034	32'390
Average number of outstanding shares	3'386'013	3'386'838
Earnings per share (CHF)	13.00	9.56

The average number of outstanding shares is calculated based on the issued shares minus the weighted average number of treasury shares. There are no conversion rights or option rights outstanding; therefore, there is no potential dilution of earnings per share.

Goodwill

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The theoretical amortization of goodwill is based on the straight-line method and an amortization period of five years. Goodwill from new acquisitions is fixed to Swiss francs using the closing rate at acquisition date. Therefore, there are no exchange rate differences in the movement schedules. The impact of the theoretical capitalization and amortization of goodwill is disclosed below.

	2020	2019
in CHF 1'000		
Acquisition costs		
Balance as per 04/01/2020 / 04/01/2019	121'835	103'830
Additions from acquisitions	24'872	18'005
Balance as per 03/31/2021 / 03/31/2020	146'707	121'835

	2020	2019
in CHF 1'000		
Accumulated amortization		
Balance as per 04/01/2020 / 04/01/2019	-86'506	-68'290
Amortization expense	-25'083	-18'216
Balance as per 03/31/2021 / 03/31/2020	-111'589	-86'506

	2020	2019
in CHF 1'000		
Net book value		
Theoretical net book value as per 04/01/2020 / 04/01/2019	35'329	35'540
Theoretical net book value as per 03/31/2021 / 03/31/2020	35'118	35'329

	03/31/2021	03/31/2020
in CHF 1'000		
Theoretical impact on equity		
Equity as per balance sheet	219'603	317'506
Theoretical capitalization of goodwill	35'118	35'329
Theoretical equity including net book value of goodwill	254'721	352'835

	2020	2019
in CHF 1'000		
Theoretical impact on net income		
Net income as per income statement	47'201	39'871
Amortization of goodwill	-25'083	-18'216
Theoretical net income after goodwill amortization	22'118	21'655

13. PROPERTY, PLANT & EQUIPMENT

Acquisition Costs

	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2020 Total	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2019 Total
in CHF 1'000										
Balance as per 04/01/2020 / 04/01/2019	168'706	129'007	30'199	20'188	348'100	165'526	128'508	28'568	8'145	330'748
Changes in the consolidation scope	-	-	-	-	-	11'285	-	3'234	745	15'263
Additions	382	2'964	2'839	19'286	25'471	-	3'919	3'367	15'982	23'268
Disposals	-11'842	-7'093	-1'186	-141	-20'262	-4'439	-1'079	-3'584	-44	-9'146
Reclassifications	-1'236	7'738	1'145	-32'972	-25'325	1'185	1'493	262	-3'156	-216
Currency translation differences	1'333	2'230	620	446	4'629	-4'851	-3'834	-1'648	-1'484	-11'817
Balance as per 03/31/2021 / 03/31/2020	157'343	134'846	33'617	6'807	332'613	168'706	129'007	30'199	20'188	348'100

Accumulated Depreciation

	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2020 Total	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2019 Total
in CHF 1'000										
Balance as per 04/01/2020 / 04/01/2019	-35'226	-90'727	-19'515	-	-145'468	-34'340	-84'374	-20'846	-	-139'560
Changes in the consolidation scope	-	-	-	-	-	-	-	-	-	-
Additions	-4'749	-9'000	-3'727	-	-17'476	-4'751	-9'717	-2'948	-	-17'416
Disposals	5'081	6'363	1'028	-	12'472	2'387	1'014	3'190	-	6'591
Reclassifications	-	-	-	-	-	216	-	-	-	216
Currency translation differences	-462	-1'317	-282	-	-2'061	1'262	2'350	1'089	-	4'701
Balance as per 03/31/2021 / 03/31/2020	-35'356	-94'681	-22'496	-	-152'533	-35'226	-90'727	-19'515	-	-145'468

Net Book Value

	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2020 Total	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2019 Total
in CHF 1'000										
As per 04/01/2020 / 04/01/2019	133'480	38'280	10'684	20'188	202'632	131'186	44'134	7'722	8'145	191'188
As per 03/31/2021 / 03/31/2020	121'987	40'165	11'121	6'807	180'080	133'480	38'280	10'684	20'188	202'632

Relocation Shenyang Yuanda Compressor Co. Ltd (SYCC)

Back in 2018, SYCC started the relocation of its manufacturing and assembly facility, to the newly established China Germany Equipment Manufacturing Industrial Park, which is also located in the city of Shenyang. The relocation was completed end of 2020. In the course of this transaction SYCC has purchased and built new PPE and at the same time has given back existing PPE to the Chinese government. The whole transaction is subsidized by the Chinese government. Overall SYCC in the period 2018 to 2020 invested more than CHF 30 mn for this project. With the completion of the relocation project land use rights, buildings and machinery that were built or acquired in the course of the relocation have been offset with the granted subsidies by the government (Netting of assets and liabilities; shown under reclassifications).

14. INVESTMENTS IN ASSOCIATES

	2020	2019
in CHF 1'000		
Balance as per 04/01/2020 / 04/01/2019	–	11'539
Changes in the consolidation scope	–	–9'020
Share of net results	–	–2'494
Currency translation differences	–	–25
Balance as per 03/31/2021 / 03/31/2020	–	–

15. OTHER FINANCIAL ASSETS

Other financial assets mainly include time deposits.

16. INVENTORIES

	03/31/2021	03/31/2020
in CHF 1'000		
Raw materials, supplies and consumables	36'223	33'608
Work in progress	100'587	164'648
Finished products and trade merchandise	51'526	55'017
Advance payments to suppliers	19'578	27'607
Valuation allowance	–17'479	–16'401
Total inventories	190'435	264'479

The capital invested in work in progress and advance payments to suppliers is fully financed by advance payments from customers, leaving a positive balance as of March 31, 2021 of CHF 11.5 mn (prior year: CHF –47.0 mn).

17. TRADE RECEIVABLES

	03/31/2021	03/31/2020
in CHF 1'000		
Trade receivables, gross	271'098	265'032
Allowance for bad debts	–10'703	–8'911
Trade receivables, net	260'395	256'121

	2020	2019
in CHF 1'000		
Allowance for bad debts		
Balance as per 04/01/2020 / 04/01/2019	–8'911	–8'343
Changes in the consolidation scope	–	–
Additions	–2'288	–3'195
Release	36	1'614
Utilization	934	252
Currency translation adjustments	–474	761
Balance as per 03/31/2021 / 03/31/2020	–10'703	–8'911

The allowance for bad debts at the end of the 2020 and 2019 fiscal years was entirely related to accounts receivables which were more than 90 days overdue as per closing date.

	03/31/2021		03/31/2020	
in CHF 1'000				
Maturity profile of trade receivables				
Not due	147'068	56.5%	129'255	50.5%
Overdue 1–30 days	20'165	7.7%	17'170	6.7%
Overdue 31–60 days	20'334	7.8%	14'410	5.6%
Overdue 61–90 days	9'957	3.8%	9'348	3.6%
Overdue more than 90 days	62'871	24.2%	85'938	33.6%
Balance as per 03/31/2021 / 03/31/2020	260'395	100.0%	256'121	100.0%

Trade receivables overdue more than 90 days are mainly related to projects in China.

18. OTHER CURRENT RECEIVABLES

	03/31/2021	03/31/2020
in CHF 1'000		
Notes receivable	9'770	15'497
VAT receivables	6'151	7'483
Derivative financial instruments	1'067	620
Current tax assets	936	829
Other current receivables	39'057	8'948
Total other current receivables	56'981	33'377

The increase in other current receivables is mainly attributable to outstanding government grants in connection with the relocation project of Shenyang Yuanda Compressor Co. Ltd in China (see note 13).

19. SHARE CAPITAL AND TREASURY SHARES

	03/31/2021	03/31/2020
Number of shares issued	3'400'000	3'400'000

The nominal value per share amounts to CHF 2.50. All shares are registered shares and are paid in full. The breakdown of equity into its individual components is shown in the statement of changes in equity. The Board of Directors is empowered to increase the company's share capital by a maximum of CHF 1'275'000 at any time until July 6, 2021 by issuing a maximum of 510'000 fully paid registered shares with a nominal value of CHF 2.50 each (authorized capital).

At the upcoming annual general meeting of shareholders on July 3, 2021, the Board of Directors of Burckhardt Compression Holding AG will propose a dividend for the 2020 fiscal year of CHF 6.50 (prior year: CHF 6.00).

As of March 31, 2021, non-distributable reserves amounted to CHF 1.7 mn (prior year: CHF 1.7 mn).

	03/31/2021	03/31/2020
Number of treasury shares	9'634	21'616

All treasury shares are held for the share-based long-term incentive program within the Burckhardt Compression Group.

20. FINANCIAL LIABILITIES

	03/31/2021	03/31/2020
in CHF 1'000		
Non-current financial liabilities	133'070	88'713
Current financial liabilities	24'726	93'259
Total financial liabilities	157'796	181'972

The average effective interest rate amounted to 2.0% in fiscal year 2020 (prior year: 1.8%).

Some credit agreements are subject to financial covenants such as a minimum equity ratio or net financial indebtedness to EBITDA. None of the credit lines which are subject to financial covenants were drawn as per March 31, 2021.

Currencies of Financial Liabilities

	03/31/2021	03/31/2020
in CHF 1'000		
Financial liabilities in CHF	112'850	129'350
Financial liabilities in USD	32'919	33'554
Financial liabilities in other currencies	12'027	19'068
Total financial liabilities	157'796	181'972

21. PROVISIONS

	Employee-related	Warranties, penalties, unprofitable contracts	Other	2020 Total	Employee-related	Warranties, penalties, unprofitable contracts	Other	2019 Total
in CHF 1'000								
Balance as per 04/01/2020 / 04/01/2019	8'072	24'792	1'773	34'637	7'369	24'061	3'756	35'186
Changes in the consolidation scope	–	2'006	–	2'006	772	302	–	1'074
Additions	4'497	5'943	3'317	13'757	3'666	6'155	693	10'514
Release	–197	–876	–553	–1'626	–3'000	–1'314	–2'379	–6'693
Utilization	–1'003	–5'664	–1'419	–8'086	–308	–3'502	–81	–3'891
Currency translation differences	139	225	–	364	–427	–910	–216	–1'553
Balance as per 03/31/2021 / 03/31/2020	11'508	26'426	3'118	41'052	8'072	24'792	1'773	34'637
Thereof non-current	5'514	8'784	187	14'485	4'984	9'164	163	14'311
Thereof current	5'994	17'642	2'931	26'567	3'088	15'628	1'610	20'326

Employee-related provisions include employee benefit obligations (see note 31), provisions for long-term service awards and ordinary termination benefits.

Maturities of Non-Current Financial Liabilities

	03/31/2021	03/31/2020
in CHF 1'000		
Due within 2 years	920	15'693
Due within 3 years	14'466	16'267
Due within 4 years	100'080	2'395
Due within 5 years	199	2'106
Due beyond 5 years	17'405	52'252
Total non-current financial liabilities	133'070	88'713

On September 30, 2020, Burckhardt Compression issued a bond for a total of CHF 100 mn with a coupon of 1.5%. The issue price was 100% of the nominal value. It will be redeemed at par value on September 30, 2024. The bond is listed on the SIX Swiss Exchange.

22. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities mainly consist of various government grants in China.

23. OTHER CURRENT LIABILITIES

	03/31/2021	03/31/2020
in CHF 1'000		
Notes payable	2'128	2'471
VAT payables	3'859	1'148
Derivative financial instruments	717	421
Current tax liabilities	5'612	2'773
Other current liabilities	61'501	7'082
Total other current liabilities	73'817	13'895

Other current liabilities mainly consist of deferred purchase price payments for Shenyang Yuanda Compressor Co. Ltd. and the compressor business of the Japan Steel Works Ltd. (see note 4). Furthermore, they also include various social securities payables and different taxes payables such as withholding taxes.

24. ACCRUED LIABILITIES AND DEFERRED INCOME

	03/31/2021	03/31/2020
in CHF 1'000		
Contract-related liabilities	44'877	57'033
Vacation and overtime	3'179	3'478
Salary and bonus payments	11'176	10'272
Miscellaneous	6'833	6'339
Total accrued liabilities and deferred income	66'065	77'122

25. DERIVATIVE FINANCIAL INSTRUMENTS

Burckhardt Compression uses derivative financial instruments to mitigate currency risks. The risk management policy is described in note 3. On the balance sheet, derivative financial instruments are shown as "Other Current Receivables" and "Other Current Liabilities".

	03/31/2021	03/31/2020
in CHF 1'000		
Contract value	125'932	85'803
Positive fair values	1'067	620
Negative fair values	717	421

26. CONTINGENT LIABILITIES

Guarantees

Burckhardt Compression guarantees essentially for securing customer advance payments and for eventual warranty claims from customers. Guarantees are issued by third-party banks or by Burckhardt Compression Holding AG. In addition, standing guarantees have been issued by Burckhardt Compression Holding AG to secure credit lines and guarantee limits granted by foreign banks.

	03/31/2021	03/31/2020
in CHF 1'000		
Guarantees issued by banks for Burckhardt Compression	121'597	178'904
Guarantees issued by Burckhardt Compression Holding AG	373'497	331'635
Total guarantees	495'094	510'539

Other Contingent Liabilities

As per March 31, 2021, Burckhardt Compression does not have any other contingent liabilities.

In the previous year, Burckhardt Compression held call options to acquire the remaining 40% stake of Shenyang Yuanda Compressor Co. Ltd. The call option has been exercised in fiscal year 2020 (see note 4).

27. COMMITMENTS

Operating Leases

	03/31/2021	03/31/2020
in CHF 1'000		
Operating leases due in less than 1 year	2'645	2'930
Operating leases due in 1 to 5 years	10'644	11'467
Operating leases due in more than 5 years	4'752	5'831
Total operating lease commitments	18'041	20'228

Purchase commitments

Purchase commitments for capital expenditure as per March 31, 2021 amounted to CHF 4.4 mn (prior year: CHF 11.1 mn). In the previous year purchase commitments were mainly connected to the relocation activities in Shenyang (see note 13).

28. PLEDGED ASSETS

As per March 31, 2021, Burckhardt Compression had pledged assets with a carrying amount of CHF 143.2 mn (prior year: CHF 135.5 mn) to secure mortgage loans and guarantees. The pledged assets consisted mainly of land and buildings, and to a lesser degree of inventories and trade receivables.

29. SHARE-BASED PAYMENTS

Since 2017, there is a long-term incentive plan for the members of the Executive Board and certain other employees in place. Long-term incentive pay is awarded in the form of free shares. None of the shares are subject to any restrictions upon the date of transfer.

In 2020, participants of the long-term incentive plan were granted 26'982 shares at a fair value of CHF 230.50. In 2019, 383 shares at a fair value of CHF 235 were granted to participants of the long-term incentive plan.

Personnel expenses in 2020 for share-based payments amounted to CHF 3.9 mn (prior year: CHF 2.9 mn).

30. RELATED PARTY TRANSACTIONS

Members of the Board of Directors and of the Executive Board

Except for the remuneration as disclosed in the Compensation Report section of this Annual Report, no further relations or transactions existed in 2020 and 2019 with the members of the Board of Directors and of the Executive Board.

Associated Companies

In the current year, there were no transactions with associated companies.

In the previous year, the following transactions were carried out with associated companies (mainly Arkos Group companies until November 25, 2019).

	2020	2019
in CHF 1'000		
Sales of goods and services	–	3'285
Purchase of goods and services	–	317

Economic Benefits / Economic Obligations and Pension Benefit Expenses

	Economic portion of the organization		Change to prior year period recognized in the current result of the period	Currency translation differences	Contributions of the fiscal year	Pension benefit expenses	
in CHF 1'000	03/31/2021	03/31/2020	2020	2020	2020	2020	2019
Pension plans with surplus	–	–	–	–	–8'119	–8'119	–7'987
Unfunded pension plans	–2'104	–1'927	–83	–94	–	–83	83
Total	–2'104	–1'927	–83	–94	–8'119	–8'202	–7'904

31. EMPLOYEE BENEFIT OBLIGATIONS

Burckhardt Compression has various pension plans to which most of its employees contribute. With the exception of companies in Switzerland and Germany, these pension plans are defined contribution pension arrangements. Under these, as a rule, payments are made into pension funds administered by third parties. Burckhardt Compression has no payment obligations beyond making these defined contributions.

Burckhardt Compression's pension plans in Switzerland consist of two independent pension funds: "Sulzer Vorsorgeeinrichtung" (SVE), a base plan for all employees, and "Johann Jakob Sulzer Stiftung" (JJS), a plan for employees with salaries exceeding a certain limit. The majority of the active participants in the two pension funds are employed at companies not belonging to Burckhardt Compression. The board of trustees for the base plan comprises ten employer representatives and ten employee representatives of the contributing companies and is responsible for asset allocation and risk management. The pension plans contain a cash balance benefit formula. Under Swiss law, the pension funds guarantee the vested benefit amount as confirmed annually to members. Interest may be added to member balances at the discretion of the board of trustees. At retirement date, members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the balance converted to an annuity. The pension funds may adapt the contribution and benefits at any time. In case of underfunding, this may involve special payments from the employer. The surplus or underfunding cannot be determined per company. The coverage of the collective plans as a whole as of December 31, 2020 amounted to 117.6% (SVE; prior year: 117.1%) and 115.8% (JJS; prior year: 116.2%). The technical interest rate used by both collective plans amounted to 2.0% (prior year: 2.0%).

Employer Contribution Reserves

Burckhardt Compression does not have any employer contribution reserves.

32. IMPACTS OF COVID-19

Since the outbreak of the Covid-19 pandemic, Burckhardt Compression has taken all the necessary measures to protect the health of its employees, customers, suppliers and business partners. Burckhardt Compression countered the temporary weakening of its business by implementing cost-saving measures already at an early stage. These measures also include government support in various countries and are recognized in the corresponding expense category as cost reduction. The pandemic had no significant impact on the valuation of assets and liabilities in the balance sheet.

33. EVENTS AFTER THE BALANCE SHEET DATE

There were no events between the balance sheet date and the date these consolidated financial statements were approved by the Board of Directors which would require additional disclosures or changes in the consolidated financial statements.

34. GROUP COMPANIES AND ASSOCIATES

Company	Registered office	Registered capital	Interest in capital	Research & development	Manufacturing & engineering	Contracting	Sales	Service
Burckhardt Compression AG ¹	Winterthur, Switzerland	CHF 2'000'000	100%	•	•	•	•	•
Burckhardt Compression Immobilien AG ¹	Winterthur, Switzerland	CHF 5'000'000	100%					
Burckhardt Compression (Deutschland) GmbH	Neuss, Germany	EUR 30'000	100%				•	•
Burckhardt Compression (Italia) S.r.l.	Milan, Italy	EUR 400'000	100%			•	•	•
Burckhardt Compression (France) S.A.S.	Cergy Saint Christophe, France	EUR 300'000	100%				•	•
Burckhardt Compression (España) S.A.	Madrid, Spain	EUR 550'000	100%				•	•
Burckhardt Compression (UK) Ltd.	Bicester, United Kingdom	GBP 250'000	100%				•	•
Burckhardt Compression (US) Inc.	Houston, USA	USD 18'250'000	100%		•	•	•	
Burckhardt Compression (Canada) Inc.	Mississauga, Canada	CAD 200'000	100%			•	•	•
Burckhardt Compression (Japan) Ltd.	Tokyo, Japan	JPY 50'000'000	100%				•	•
Burckhardt Compression (Shanghai) Co. Ltd.	Shanghai, China	CNY 14'238'000	100%		•	•	•	•
Burckhardt Compression (India) Private Ltd.	Pune, India	INR 331'140'000	100%	•	•	•	•	•
Burckhardt Compression (Brasil) Ltda.	São Paulo, Brazil	BRL 5'803'000	100%				•	•
Burckhardt Compression (Middle East) FZE	Dubai, United Arab Emirates	AED 2'000'000	100%				•	•
Burckhardt Compression Korea Ltd.	Seoul, South Korea	KRW 250'000'000	100%				•	•
Burckhardt Kompresör San. ve Tic. Ltd.	Istanbul, Turkey	TRY 800'000	100%				•	•
Burckhardt Compression Singapore Pte Ltd.	Singapore, Singapore	SGD 700'000	100%				•	•
Burckhardt Compression South Africa (Pty) Ltd.	Sunnyrock, South Africa	ZAR 3'000'000	100%				•	•
Burckhardt Compression Korea Busan Ltd.	Busan, South Korea	KRW 7'000'000'000	100%		•	•	•	
Burckhardt Compression (Saudi Arabia) LLC	Dammam, Saudi Arabia	SAR 1'000'000	100%				•	•
Burckhardt Compression North America Service LLC	Wilmington, USA	USD 1'800'000	100%					
CSM Compressor Inc.	Edmonton, Canada	CAD 10'000	100%				•	•

Company	Registered office	Registered capital	Interest in capital	Research & development	Manufacturing & engineering	Contracting	Sales	Service
Shenyang Yuanda Compressor Co. Ltd. ¹	Shenyang, China	CNY 100'000'000	100%	•	•	•	•	•
Liaoning Yuanyu Industrial Machinery Co. Ltd.	Kaiyuan, China	CNY 39'000'000	100%	•	•			
Shenyang Yuanda Compressor Automatic Control System Co. Ltd.	Shenyang, China	CNY 5'000'000	60%			•	•	•
Shunyuan Resources Recycling Equipment Industry (Liaoning) Co. Ltd. ²	Shenyang, China	CNY 65'000'000	40%				•	•
Compressor Tech Holding AG ¹	Zug, Switzerland	CHF 200'000	100%					
PROGNOST Systems GmbH	Rheine, Germany	EUR 200'000	100%	•	•	•	•	•
PROGNOST Systems Inc.	Houston, USA	USD 240'000	100%		•		•	•
PROGNOST Machinery Diagnostics Equipment and Services LLC	Abu Dhabi, United Arab Emirates	AED 300'000	100%				•	•
Société d'Application du Métal Rouge SAS	Pont Sainte Marie Cedex, France	EUR 501'000	100%	•	•		•	•
Arkos Group LLC	Houston, USA	USD 11'752'000	100%					
Arkos Field Services, LP	Houston, USA	–	100%	•	•	•	•	•
Arkos Realty & Investments, LP	Houston, USA	–	100%					

¹ Company is directly held by Burckhardt Compression Holding AG.
All other companies are indirectly held by Burckhardt Compression Holding AG.
² Company is accounted for using the equity method.
All other companies are fully consolidated.

Report of the statutory auditor to the General Meeting of Burckhardt Compression Holding AG Winterthur

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Burckhardt Compression Holding AG and its subsidiaries (the Group), which comprise the Consolidated Income Statement for the year ended 31 March 2021, the Consolidated Balance Sheet as at 31 March 2021, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 80 to 101) give a true and fair view of the consolidated financial position of the Group as at 31 March 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Materiality

Audit scope

Key audit matters

Overall Group materiality: CHF 2'960'000

We concluded full scope audit work at five reporting units in three countries. Our audit scope addressed over 69% of the Group's sales.

As key audit matter the following area of focus has been identified:

Accounting for work in progress of the systems division

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 2'960'000
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 250'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the Group auditor and the component auditors in the PwC network. The Group auditor performed the audit of the consolidation, the disclosures and the presentation of the consolidated financial statements. Where audits were performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised analysing the reporting, communication with the component auditors, communicating the risks identified at Group level and determining the materiality thresholds for the audits performed by component auditors.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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

Accounting for work in progress of the systems division

Key audit matter	How our audit addressed the key audit matter
Burckhardt Compression Group has projects in the systems division, which are accounted for as work in progress in accordance with Swiss GAAP FER. As at 31 March 2021, work in progress from systems division projects in the amount of CHF 100.6 million was recognised in the balance sheet.	Our audit procedures regarding the accounting for work in progress of systems division projects included in particular the following: <ul style="list-style-type: none">We assessed the design and the existence of the key controls regarding the systems division projects and tested the effectiveness of selected controls.
Management estimates the costs to be incurred until their completion, possible penalties as well as net realisable value. This involves significant scope for judgement and an	

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incorrect estimate could have a significant impact on the result for the period.

Please refer to page 85 (Accounting policies – Inventories) and page 94 (Inventories) in the notes to the consolidated financial statements.

- We selected a sample of systems division projects, based on the contract volumes, the contribution margin and changes in the margin compared to the planning phase, and focused our testing on the following:
 - We assessed the contract related calculations to determine whether the contractual terms had been recorded appropriately.
 - We discussed with the project controllers and project managers the progress of the projects based on the latest project reports, the costs still to be incurred until their completion and changes in the estimated margin.
 - We obtained written information from the legal representatives of the Group. We inspected this written information with regard to indications of potential quality deficiencies or penalties and assessed whether these matters were presented appropriately in the consolidated financial statements.
- During the audit, we conducted onsite inspections of various compressors still under construction.
- For the systems division projects completed during the year under review, we compared various final parameters with the estimates made in the planning phase in order to assess, with hindsight, the accuracy of the estimates made by Management.

The results of our audit support the accounting of work in progress of the systems division in the 2020 consolidated financial statements.

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG



Sandra Böhm Uglow
Audit expert
Auditor in charge



Oliver Illa
Audit expert

Winterthur, 27 May 2021

FINANCIAL STATEMENTS OF BURCKHARDT COMPRESSION HOLDING AG, WINTERTHUR

BALANCE SHEET

	Notes	03/31/2021	03/31/2020
in CHF 1'000			
Cash and cash equivalents		275	664
Other current receivables due from third parties		17	7
Other current receivables due from group companies		85	–
Total current assets		377	671
Financial assets			
– Non-current loans due from group companies		104'020	32'500
– Investments in subsidiaries	102	273'681	171'781
Total non-current assets		377'701	204'281
Total assets		378'078	204'952
Current liabilities			
Trade payables due to third parties		2	2
Other current liabilities due to third parties		8	4
Accrued liabilities and deferred income		2'612	167
Current provisions		121	155
Deferred payments		49'756	–
Current loans due to group companies		1'089	300
Total current liabilities		53'588	628
Non-current loans due to third parties		100'000	–
Total non-current liabilities		100'000	–
Share capital	103	8'500	8'500
Legal reserves from retained earnings		1'700	1'700
Free reserves from retained earnings			
– Profit brought forward		179'210	168'883
– Net income		37'286	30'457
Treasury shares	104	–2'206	–5'216
Total equity		224'490	204'324
Total equity and liabilities		378'078	204'952

INCOME STATEMENT

	2020	2019
in CHF 1'000		
Income		
Dividend income from group companies	39'182	31'293
Interest income from group companies	922	294
Income from services provided to group companies	192	192
Total income	40'296	31'779
Expenses		
Operating expenses	–2'026	–1'262
Financial expenses	–802	–
Direct Taxes	–182	–60
Total expenses	–3'010	–1'322
Net income	37'286	30'457

NOTES TO THE FINANCIAL STATEMENTS OF BURCKHARDT COMPRESSION HOLDING AG

101 Accounting policies

The financial statements as per March 31, 2021 are in compliance with the requirements of Swiss corporate law.

The financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO).

The following disclosures are not being made separately in the statutory financial statements pursuant to Art. 961d (I) CO as Burckhardt Compression Holding AG is presenting its consolidated financial statements according to Swiss GAAP FER:

- Additional disclosures in the notes (auditor's fee; disclosure on non-current interest-bearing liabilities)
- Cash flow statement
- Management report

The treasury shares are stated at acquisition cost and deducted from equity. No subsequent valuation is made. If the treasury shares are disposed of, the resulting gain or loss is recognized in the profit and loss statement.

Burckhardt Compression Holding AG uses derivative financial instruments exclusively as hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable future transaction (cash flow hedges). At inception of the hedge, Burckhardt Compression Holding AG documents the hedging relationship and the effectiveness between the hedging instrument and the hedged item.

The derivative financial instruments are off-balance sheet items.

All the values in the annual financial statements are reported in thousand Swiss Francs unless otherwise indicated.

Burckhardt Compression Holding AG's fiscal year 2020 comprises the period from April 1, 2020 to March 31, 2021.

102 Subsidiaries

The equity interests held directly and indirectly by Burckhardt Compression Holding AG are shown in note 34 "Group Companies".

103 Share capital and shareholders

The share capital amounts to CHF 8'500'000 and is composed of 3'400'000 shares, each with a nominal value of CHF 2.50. All shares are registered shares and are paid in full. The Board of Directors is empowered to increase the company's share capital by a maximum of CHF 1'275'000 at any time until July 6, 2021 by issuing a maximum of 510'000 fully paid registered shares with a nominal value of CHF 2.50 each (authorized capital).

No person will be registered in the Share Register as shareholder with voting rights with respect to more than five percent of the issued share capital. This entry restriction is also applicable to persons whose shares are totally or partially held by nominees. This restriction is also valid if shares are purchased when practicing subscription, warrant and conversion rights, with the exception of shares acquired by succession, distribution of inheritance or matrimonial regime. Legal entities and partnerships associated with each other by uniformly managed capital or votes or in any other way, as well as private and legal entities or partnerships, which form an association to evade the entry restriction, are regarded as one person.

Individual persons, who have not expressly declared in the application of entry that they hold the shares for their own account (Nominees), will be entered in the Share Register with voting rights, if the Nominee concerned establishes his subordination to an accredited banking supervision and securities

authority, and if he/she has concluded an agreement with the Board of Directors of the company concerning his/her position. Nominees holding two or less than two percent of the issued shares will be entered in the Share Register with voting rights without an agreement with the Board of Directors. Nominees holding more than two percent of the issued shares will be entered in the Share Register with two percent voting rights and, for the remaining shares, without voting right. Above this limit of two percent, the Board of Directors may enter in the Share Register Nominees with voting rights if they disclose the names, addresses, nationality, and shareholdings of the persons for whom they hold more than two percent of the issued shares.

As of March 31, 2021, there is no such declaration between a nominee-shareholder and the board of directors.

Shareholder groups which had existed before June 23, 2006 are excluded from the voting rights restrictions.

According to information available to the company from the disclosure notifications of the SIX Swiss Exchange Ltd., the following shareholders reported shareholdings of at least 3% of the share capital and voting rights as of March 31, 2021 (according to the statutory bylaws the voting rights of NN Group N.V., and Atlantic Value General Partner Ltd. (Mondrian) are limited to 5% of the total number of the registered BCHN shares recorded in the commercial register):

Shareholders		03/31/2021	03/31/2020
Name	Country	% of shares	% of shares
MBO shareholder pool (Valentin Vogt, Harry Otz, Leonhard Keller, Martin Heller, Ursula Heller, Marcel Pawlicek)	CH	12.40	12.40
NN Group N.V.	NL	10.31	10.31
Atlantic Value General Partner Limited (Mondrian)	GB	5.03	5.03
BlackRock, Inc.	US	3.04	3.04
UBS Fund Management (Switzerland) AG	CH	3.01	3.01
FEDERATED HERMES INC.	US	3.01	< 3.00
Ameriprise Financial Inc.	US	< 3.00	3.49
Credit Suisse Funds AG	CH	< 3.00	3.24
Vontobel Fonds Services AG	CH	< 3.00	3.05

The number of shares held by the members of the Executive Board and the non-executive members of the Board of Directors (and related persons) as per March 31, 2021 are shown under point 6.2 within the compensation report.

Detailed overview of shareholdings

As per March 31, 2021, the members of the Executive Board and the Board of Directors (and related persons) owned the following numbers of shares of Burckhardt Compression Holding AG:

Shareholders		03/31/2021	03/31/2020
		Total shares	Total shares
Members of the Board of Directors			
Ton Büchner ¹	Chairman	5'000	n/a
Valentin Vogt ²	Chairman	n/a	203'392
Urs Leinhäuser	Member	1'714	1'643
Dr. Monika Krüsi	Member	1'119	1'048
Dr. Stephan Bross	Member	349	278
David Dean	Member	408	355
Total		8'590	206'716
Executive Board			
Marcel Pawlicek	CEO	41'937	42'111
Rolf Brändli	CFO	2'423	1'702
Sandra Pitt	CHRO	908	278
Fabrice Billard	President Systems Division	1'300	600
Rainer Dübi	President Services Division	824	600
Total		47'392	45'291
Total Board of Directors and Executive Board		55'982	252'007
As a % of all outstanding shares		1.7%	7.4%

¹ from July 4, 2020
² until July 3, 2020

104 Treasury shares

	2020	2019
Number at the beginning of the period	21'616	5'999
Purchases	15'000	16'000
Sales	-26'982	-383
Number at the end of the period	9'634	21'616

The average selling price did amount to CHF 228.57
(2019: CHF 263.63)

105 Further disclosures pursuant to Article 959c par. 2 of the Swiss Code of Obligations:**Full-time employees**

Burckhardt Compression Holding AG does not employ any employees.

Liabilities to pension funds

	03/31/2021	03/31/2020
in CHF 1'000		
Total liabilities to pension funds	0	0

Net release of undisclosed reserves

	03/31/2021	03/31/2020
in CHF 1'000		
Net release of undisclosed reserves	0	0

Derivative financial instruments

	03/31/2021	03/31/2020
in CHF 1'000		
Forward foreign exchange contracts (negative current fair value on cash flow hedge)	0	0

Guarantees

	03/31/2021	03/31/2020
in CHF 1'000		
Guarantees	260'045	236'662

Burckhardt Compression Holding AG issues advance payment guarantees and performance bonds in the name of Burckhardt Compression AG and in favor of a small number of selected customers. In addition, standing guarantees have been given to secure credit lines and guarantee limits granted by foreign banks.

The credit lines and guarantee facilities extended to Burckhardt Compression AG by financial institutions do not require any assets or shares of Burckhardt Compression Holding AG to be pledged as collateral.

Remuneration of the Board of Directors and the Executive Board

Type and amount of remuneration of the members of the Board of Directors and the Executive Board as well as the principles and basic elements of the company's compensation policy are depicted and explained in the compensation report on pages 69 to 77.

Events after the balance sheet date

There were no additional events after the balance sheet date which affect the annual results or would require an adjustment to the carrying amounts of Burckhardt Compression Holding AG's assets and liabilities.

Proposal by the Board of Directors for the appropriation of retained earnings

	2020	2019
in CHF 1'000		
Retained earnings at the beginning of the period	199'340	189'247
Distributed dividend	-20'180	-20'364
Net income of the year	37'286	30'457
Retained earnings at the disposal of the Annual General Meeting	216'446	199'340
The Board of Directors proposes the following appropriation		
- Gross dividend	-22'100	-20'400
Retained earnings carried forward	194'346	178'940

The Board of Directors will propose payment of a gross dividend of CHF 6.50 per registered share at the Annual General Meeting of Shareholders on July 3, 2021.

	2020	2019	2018
Gross dividend	6.50	6.00	6.00
Less 35% withholding tax	-2.30	-2.10	-2.10
Net dividend	4.20	3.90	3.90

Report of the statutory auditor to the General Meeting of Burckhardt Compression Holding AG Winterthur

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Burckhardt Compression Holding AG, which comprise the balance sheet as at 31 March 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 106 to 111) as at 31 March 2021 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Materiality

Audit scope

Key audit matters

Overall materiality: CHF 1'500'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Impairment testing of investments in subsidiaries

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 1'500'000
How we determined it	0.4% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a relevant benchmark for holding company, and it is a generally accepted benchmark for holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 150'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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

Impairment testing of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries is a significant asset category on the balance sheet (CHF 273.7 million). Impairment testing of investments whose book value is greater than the book value of the underlying net assets requires Management to consider capitalised earnings.	In our audit of investments in subsidiaries, we performed the following main audit procedures: <ul style="list-style-type: none">We compared the book value of the investments in the year under review with their pro-rata share of the respective company's equity or the company's valuation, based on capitalised earnings.We checked for plausibility the key assumptions applied by Management (revenue and margin growth).
Doing so involves significant scope for judgement, particularly to determine the assumptions to use concerning future business results.	We consider the valuation process and the assumptions used to be an appropriate and adequate basis for the impairment testing of the investments in Group companies as at 31 March 2021.
In identifying the potential need for impairment of investments in subsidiaries, Management uses a predefined impairment testing process.	
Please refer to page 107 (Subsidiaries) in the notes to the financial statements.	

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Responsibilities of the Board of Directors for the financial statements

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Sandra Böhm Uglow
Audit expert
Auditor in charge



Oliver Illa
Audit expert

Winterthur, 27 May 2021

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The statements in this review relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions, foreign exchange rates, regulatory rules, market conditions, the actions of competitors, and other factors beyond the control of the company.

The Annual Report is published in German and English and is available on the internet under www.burckhardtcompression.com/financial-reports. The English version is binding. The financial report is available in English only.



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