

# 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

in CHF 1'000	2020	2019	Change 2019/2020
Order intake	676'631	607'303	11.4% <sup>1</sup>
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%

<sup>1</sup> 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 H<sub>2</sub> 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			
<b>Sales</b>		<b>658'580</b>	<b>629'585</b>
Cost of goods sold		-492'423	-479'800
<b>Gross Profit</b>		<b>166'157</b>	<b>149'785</b>
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
<b>Operating income</b>		<b>60'816</b>	<b>54'795</b>
Share of results of associates	14	-	-2'494
Financial income and expenses	9	-1'616	-4'741
<b>Earnings before taxes</b>		<b>59'200</b>	<b>47'560</b>
Income tax expenses	10	-11'999	-7'689
<b>Net income</b>		<b>47'201</b>	<b>39'871</b>
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			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>210'950</b>	<b>234'122</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>586'547</b>	<b>648'880</b>
<b>Total assets</b>		<b>797'497</b>	<b>883'002</b>
<b>Equity</b>			
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
<b>Equity attributable to shareholders of Burckhardt Compression Holding AG</b>		<b>219'104</b>	<b>273'482</b>
Non-controlling interests		499	44'024
<b>Total equity</b>		<b>219'603</b>	<b>317'506</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>162'568</b>	<b>124'260</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>415'326</b>	<b>441'236</b>
<b>Total liabilities</b>		<b>577'894</b>	<b>565'496</b>
<b>Total equity and liabilities</b>		<b>797'497</b>	<b>883'002</b>

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

## CONSOLIDATED CASH FLOW STATEMENT

	Notes	2020	2019
in CHF 1'000			
<b>Cash flow from operating activities</b>			
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
<b>Total cash flow from operating activities</b>		<b>132'195</b>	<b>50'743</b>
<b>Cash flow from investing activities</b>			
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
<b>Total cash flow from investing activities</b>		<b>–40'364</b>	<b>–49'663</b>
<b>Cash flow from financing activities</b>			
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
<b>Total cash flow from financing activities</b>		<b>–109'462</b>	<b>11'276</b>
Currency translation differences on cash and cash equivalents		2'682	–5'047
<b>Net change in cash and cash equivalents</b>		<b>–14'949</b>	<b>7'309</b>
Cash and cash equivalents at beginning of period		90'319	83'010
Cash and cash equivalents at end of period		75'370	90'319
<b>Net change in cash and cash equivalents</b>		<b>–14'949</b>	<b>7'309</b>

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										
<b>Balance at 04/01/2019</b>	<b>8'500</b>	<b>446</b>	<b>–1'582</b>	<b>–1'405</b>	<b>367</b>	<b>–103'830</b>	<b>399'968</b>	<b>302'464</b>	<b>42'570</b>	<b>345'034</b>
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 <sup>1</sup>							–9'324	–9'324		–9'324
Goodwill on acquisition <sup>1</sup>						–18'005		–18'005		–18'005
<b>Balance at 03/31/2020</b>	<b>8'500</b>	<b>435</b>	<b>–5'216</b>	<b>–616</b>	<b>–13'315</b>	<b>–121'835</b>	<b>405'529</b>	<b>273'482</b>	<b>44'024</b>	<b>317'506</b>
<b>Balance at 04/01/2020</b>	<b>8'500</b>	<b>435</b>	<b>–5'216</b>	<b>–616</b>	<b>–13'315</b>	<b>–121'835</b>	<b>405'529</b>	<b>273'482</b>	<b>44'024</b>	<b>317'506</b>
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 <sup>1</sup>						–24'872		–24'872		–24'872
Acquisition of non-controlling interests <sup>1</sup>							–64'674	–64'674	–37'226	–101'900
<b>Balance at 03/31/2021</b>	<b>8'500</b>	<b>486</b>	<b>–2'206</b>	<b>–242</b>	<b>–3'129</b>	<b>–146'707</b>	<b>362'402</b>	<b>219'104</b>	<b>499</b>	<b>219'603</b>

<sup>1</sup> 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
<b>Net assets / liabilities acquired at fair value</b>	<b>-1'287</b>
Goodwill from acquisition	24'872
<b>Total purchase price</b>	<b>23'585</b>
Less cash and cash equivalents acquired	-
Less purchase price not yet paid (deferred consideration)	-2'358
<b>Net cash outflow on acquisition</b>	<b>21'227</b>

### 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
<b>Net assets acquired at fair value (excluding pre-existing relationships)</b>	<b>27'393</b>
Trade receivables & Prepaid expenses with BC	244
Current liabilities with BC	-2'664
Non-current liabilities with BC	-25'733
<b>Net assets acquired at fair value (including pre-existing relationships)</b>	<b>-760</b>
Shares previously owned (40%)	-9'020
Goodwill	18'005
Revaluation of shares previously owned	9'324
<b>Total</b>	<b>17'549</b>
Less cash and cash equivalents acquired	-1'766
<b>Net cash outflow on acquisition</b>	<b>15'783</b>

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

### Geographic information

Sales by customer location in CHF 1'000	2020		2019	
	2020	2019	2020	2019
Europe	190'129	135'434	5'127	5'228
Africa	2'834	4'121	329	6
North America	74'507	66'609	1'072	1'997
South America	7'206	5'691	22	11
Middle East	35'782	20'215	60	282
China	214'116	240'251	18'222	21'117
Other Asia & Australia	134'006	157'264	639	843
<b>Total</b>	<b>658'580</b>	<b>629'585</b>	<b>25'471</b>	<b>29'484</b>

## 6. PERSONNEL EXPENSES

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

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
<b>Total other operating income</b>	<b>21'055</b>	<b>41'955</b>
Currency exchange losses	-8'562	-24'863
Other operating expenses	-9'415	-8'361
<b>Total other operating expenses</b>	<b>-17'977</b>	<b>-33'224</b>
<b>Total other operating income and expenses</b>	<b>3'078</b>	<b>8'731</b>

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
<b>Total financial income and expenses</b>	<b>-1'616</b>	<b>-4'741</b>

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
<b>Total income tax expenses</b>	<b>-11'999</b>	<b>-7'689</b>

### Reconciliation of Income Tax Expenses

	2020	2019
in CHF 1'000		
<b>Earnings before taxes</b>	<b>59'200</b>	<b>47'560</b>
<b>Expected income tax expenses</b>	<b>-13'006</b>	<b>-8'333</b>
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
<b>Total income tax expenses</b>	<b>-11'999</b>	<b>-7'689</b>
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		
<b>Net current income tax liabilities</b>	<b>1'944</b>	<b>2'091</b>
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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>4'676</b>	<b>1'944</b>
thereof current tax assets	936	829
thereof current tax liabilities	5'612	2'773

### Deferred Income Taxes

	2020	2019
in CHF 1'000		
<b>Net deferred income tax liabilities</b>	<b>-893</b>	<b>6'287</b>
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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>-3'417</b>	<b>-893</b>
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
<b>Total tax loss carry forwards</b>	<b>42'666</b>	<b>36'644</b>
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
<b>Effective deferred tax assets from tax loss carry forwards</b>	<b>4'321</b>	<b>4'972</b>

## 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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>32'904</b>	<b>685</b>	<b>3'431</b>	<b>37'020</b>	<b>31'992</b>	<b>632</b>	<b>2'106</b>	<b>34'730</b>

### 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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>-24'097</b>	<b>-572</b>	<b>-</b>	<b>-24'669</b>	<b>-21'297</b>	<b>-490</b>	<b>-</b>	<b>-21'787</b>

### 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
<b>As per 03/31/2021 / 03/31/2020</b>	<b>8'807</b>	<b>113</b>	<b>3'431</b>	<b>12'351</b>	<b>10'695</b>	<b>142</b>	<b>2'106</b>	<b>12'943</b>

## 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
<b>Earnings per share (CHF)</b>	<b>13.00</b>	<b>9.56</b>

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		
<b>Acquisition costs</b>		
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		
<b>Accumulated amortization</b>		
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		
<b>Net book value</b>		
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		
<b>Theoretical impact on equity</b>		
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		
<b>Theoretical impact on net income</b>		
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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>157'343</b>	<b>134'846</b>	<b>33'617</b>	<b>6'807</b>	<b>332'613</b>	<b>168'706</b>	<b>129'007</b>	<b>30'199</b>	<b>20'188</b>	<b>348'100</b>

### 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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>-35'356</b>	<b>-94'681</b>	<b>-22'496</b>	<b>-</b>	<b>-152'533</b>	<b>-35'226</b>	<b>-90'727</b>	<b>-19'515</b>	<b>-</b>	<b>-145'468</b>

### 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
<b>As per 03/31/2021 / 03/31/2020</b>	<b>121'987</b>	<b>40'165</b>	<b>11'121</b>	<b>6'807</b>	<b>180'080</b>	<b>133'480</b>	<b>38'280</b>	<b>10'684</b>	<b>20'188</b>	<b>202'632</b>

### 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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>–</b>	<b>–</b>

## 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
<b>Total inventories</b>	<b>190'435</b>	<b>264'479</b>

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
<b>Trade receivables, net</b>	<b>260'395</b>	<b>256'121</b>

	2020	2019
in CHF 1'000		
<b>Allowance for bad debts</b>		
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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>–10'703</b>	<b>–8'911</b>

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				
<b>Maturity profile of trade receivables</b>				
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%
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>260'395</b>	<b>100.0%</b>	<b>256'121</b>	<b>100.0%</b>

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
<b>Total other current receivables</b>	<b>56'981</b>	<b>33'377</b>

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
<b>Total financial liabilities</b>	<b>157'796</b>	<b>181'972</b>

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
<b>Total financial liabilities</b>	<b>157'796</b>	<b>181'972</b>

## 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
<b>Balance as per 03/31/2021 / 03/31/2020</b>	<b>11'508</b>	<b>26'426</b>	<b>3'118</b>	<b>41'052</b>	<b>8'072</b>	<b>24'792</b>	<b>1'773</b>	<b>34'637</b>
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
<b>Total non-current financial liabilities</b>	<b>133'070</b>	<b>88'713</b>

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
<b>Total other current liabilities</b>	<b>73'817</b>	<b>13'895</b>

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
<b>Total accrued liabilities and deferred income</b>	<b>66'065</b>	<b>77'122</b>

## 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
<b>Total guarantees</b>	<b>495'094</b>	<b>510'539</b>

### 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
<b>Total operating lease commitments</b>	<b>18'041</b>	<b>20'228</b>

### 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

in CHF 1'000	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	
	03/31/2021	03/31/2020				2020	2020
Pension plans with surplus	–	–	–	–	–8'119	–8'119	–7'987
Unfunded pension plans	–2'104	–1'927	–83	–94	–	–83	83
<b>Total</b>	<b>–2'104</b>	<b>–1'927</b>	<b>–83</b>	<b>–94</b>	<b>–8'119</b>	<b>–8'202</b>	<b>–7'904</b>

## 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 <sup>1</sup>	Winterthur, Switzerland	CHF 2'000'000	100%	•	•	•	•	•
Burckhardt Compression Immobilien AG <sup>1</sup>	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. <sup>1</sup>	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. <sup>2</sup>	Shenyang, China	CNY 65'000'000	40%				•	•
Compressor Tech Holding AG <sup>1</sup>	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%					

<sup>1</sup> Company is directly held by Burckhardt Compression Holding AG.

All other companies are indirectly held by Burckhardt Compression Holding AG.

<sup>2</sup> 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

<b>Overview</b>	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.

<b>Overall Group materiality</b>	CHF 2'960'000
<b>How we determined it</b>	5% of profit before tax
<b>Rationale for the materiality benchmark applied</b>	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

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
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"> <li>We assessed the design and the existence of the key controls regarding the systems division projects and tested the effectiveness of selected controls.</li> </ul>
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