

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			
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 (1) 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
Members of the Board of Directors	Function	Total shares	Total shares
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

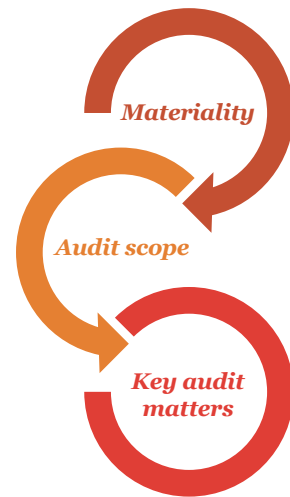
Overview

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
<p>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.</p> <p>Doing so involves significant scope for judgement, particularly to determine the assumptions to use concerning future business results.</p> <p>In identifying the potential need for impairment of investments in subsidiaries, Management uses a predefined impairment testing process.</p> <p>Please refer to page 107 (Subsidiaries) in the notes to the financial statements.</p>	<p>In our audit of investments in subsidiaries, we performed the following main audit procedures:</p> <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). <p>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.</p>

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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