

Financial Report

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Consolidated Financial Statements

Consolidated Income Statement

	Note	2021	% ¹⁾	2020	% ¹⁾
in CHF 1 000					
Net sales	3	765 343	100.0	661 226	100.0
Material expenses		- 311 504	- 40.7	- 267 872	- 40.5
Changes in inventories		4 695	0.6	1 278	0.2
Personnel expenses	4	- 207 087	- 27.1	- 192 020	- 29.0
Other operating income/expenses	5	- 73 051	- 9.5	- 63 276	- 9.6
Earnings before interest, taxes, depreciation, and amortization (EBITDA)²⁾		178 395	23.3	139 337	21.1
Depreciation, amortization and impairment	13, 14	- 33 032	- 4.3	- 31 272	- 4.7
Earnings before interest, taxes (EBIT)		145 363	19.0	108 065	16.3
Financial income	6	405	0.1	251	-
Financial expenses	6	- 1 638	- 0.2	- 1 921	- 0.3
Foreign exchange loss	6	- 750	- 0.1	- 5 606	- 0.8
Financial result		- 1 983	- 0.3	- 7 277	- 1.1
Earnings before taxes (EBT)		143 380	18.7	100 788	15.2
Income taxes	7	- 27 876	- 3.6	- 14 148	- 2.1
Net income		115 504	15.1	86 641	13.1
Attributable to shareholders of BELIMO Holding AG		115 671	15.1	86 715	13.1
Attributable to non-controlling interests		- 167	-	- 74	-
Earnings per share (EPS) in CHF³⁾	8	9.41		7.05	

There are no options or other instruments that could have a dilutive effect.

¹⁾ In % of net sales

²⁾ Alternative performance measures are described under the following link: www.belimo.com/financial-summary.

³⁾ A twenty-for-one share split was conducted in April 2021. The EPS-values for prior periods have been adjusted in the interests of comparability.

Consolidated Statement of Comprehensive Income

	Note	2021	2020
in CHF 1 000			
Net income		115 504	86 641
Currency translation adjustment		1 167	-9 881
Tax effect	7	-78	307
Items that are or may be reclassified subsequently to the income statement		1 090	-9 574
Remeasurement of post-employment benefits	19	-3 566	-3 711
Fair value changes of equity instruments at FVOCI	15	934	-
Tax effect	7	514	667
Items that will not be reclassified subsequently to the income statement		-2 118	-3 044
Other comprehensive income, net of tax		-1 028	-12 619
Total comprehensive income		114 475	74 022
Attributable to shareholders of BELIMO Holding AG		114 638	74 097
Attributable to non-controlling interests		-162	-75

Consolidated Balance Sheet

	Note	December 31, 2021	December 31, 2020
in CHF 1 000			
Cash and cash equivalents	9	109 408	164 942
Trade receivables	10	98 199	81 269
Inventories	11	126 382	105 461
Other assets	12	73 623	9 361
Current tax assets		654	283
Current assets		408 265	361 316
Property, plant and equipment	13	200 747	186 671
Intangible assets	14	18 495	17 571
Non-current financial assets	15	4 796	2 861
Non-current employee benefit assets	19	–	2 550
Deferred tax assets	7	10 368	12 490
Non-current assets		234 407	222 142
Assets		642 671	583 458
Trade payables		25 571	18 831
Other liabilities	16	67 546	45 228
Current financial liabilities	17	3 545	4 565
Current provisions	18	8 308	4 297
Current tax liabilities		9 486	5 444
Current liabilities		114 456	78 364
Non-current financial liabilities	17	7 223	9 375
Non-current provisions	18	2 148	1 098
Non-current employee benefit liabilities	19	5 380	3 874
Deferred tax liabilities	7	2 128	1 485
Non-current liabilities		16 879	15 831
Liabilities		131 335	94 195
Equity attributable to shareholders of BELIMO Holding AG	8	511 299	489 283
Equity attributable to non-controlling interests		37	–20
Total equity		511 336	489 263
Liabilities and equity		642 671	583 458

Consolidated Statement of Changes in Equity

	Share capital	Treasury shares	Capital reserves	Other reserves ¹⁾	Retained earnings	Attributable to shareholders of BELIMO Holding AG	Attributable to non-controlling interests	Total equity
in CHF 1 000								
As at January 1, 2020	615	-67	23 814	-7 101	490 028	507 289	55	507 344
Restatement ¹⁾				-1 161	1 161	-		-
As at January 1, 2020, restated¹⁾	615	-67	23 814	-8 262	491 189	507 289	55	507 344
Net income					86 715	86 715	-74	86 641
Other comprehensive income, net of tax				-9 573	-3 044	-12 618	-1	-12 619
Total comprehensive income				-9 573	83 671	74 097	-75	74 022
Purchase of treasury shares		-3 673				-3 673	-	-3 673
Treasury shares awarded for share-based payments		3 516	295			3 811	-	3 811
Dividends					-92 241	-92 241	-	-92 241
As at December 31, 2020, restated¹⁾	615	-224	24 110	-17 836	482 618	489 283	-20	489 263
Net income					115 671	115 671	-167	115 504
Other comprehensive income, net of tax				1 836	-2 869	-1 033	5	-1 028
Total comprehensive income				1 836	112 802	114 638	-162	114 475
Equity contribution by non-controlling interests						-	219	219
Purchase of treasury shares		-5 178				-5 178	-	-5 178
Treasury shares awarded for share-based payments		4 796	3			4 800	-	4 800
Dividends					-92 243	-92 243	-	-92 243
As at December 31, 2021	615	-606	24 113	-15 999	503 176	511 299	37	511 336

¹⁾ See note 1.3

Consolidated Statement of Cash Flows

	Note	2021	2020
in CHF 1 000			
Net income		115 504	86 641
Income taxes	7	27 876	14 148
Interest result	6	721	1 071
Depreciation of property, plant and equipment	13	26 490	25 542
Amortization of intangible assets	14	6 542	5 730
Gain on sale of property, plant and equipment	13	-260	-243
Non-cash items non-current employee benefits	19	538	2 723
Other non-cash items		-401	-334
Expenses for share-based payments	4	1 570	1 233
Deferred compensation share-based payments	4	2 324	2 052
Change in net working capital		-31 755	3 030
Change in other current receivables and assets		-3 257	3 284
Change in other current payables and liabilities		23 531	-2 443
Change in provisions	18	5 059	307
Income taxes paid		-21 433	-17 071
Cash flow from operating activities		153 049	125 668
Investments in property, plant and equipment	13	-38 935	-22 790
Investments in intangible assets	14	-7 790	-6 174
Purchase of financial assets ¹⁾	12	-61 080	-1 076
Sale of financial assets		93	24
Sale of property, plant and equipment		416	267
Interest received	6	256	71
Acquisition of companies minus acquired cash and cash equivalents	2	-465	-2 716
Cash flow used in investing activities		-107 505	-32 394
Purchase of treasury shares	8	-5 178	-3 673
Cash contribution share-based payments	4, 8	1 036	636
Dividends paid	8	-92 243	-92 241
Interest paid	17	-854	-908
Increase of financial borrowings	17	-	1 285
Repayment of lease liabilities	13, 17	-4 218	-3 713
Equity contribution by non-controlling interests		219	-
Cash flow used in financing activities		-101 238	-98 614
Currency translation adjustment		159	-2 281
Change in cash and cash equivalents		-55 535	-7 621
Cash and cash equivalents at beginning of period		164 942	172 563
Cash and cash equivalents at end of period	9	109 408	164 942

¹⁾ In the reporting period, CHF 60.0 million were invested in term deposits with maturities of more than three months from the date of acquisition (previous year none).

Notes to the Consolidated Financial Statements

1 General

1.1 Corporate Information

The Belimo Group (hereinafter referred to as “Belimo” or “the Group”) is a leading global manufacturer of innovative damper actuator, control valve, and sensor/meter solutions for heating, ventilation, and air-conditioning systems (HVAC). The shares of BELIMO Holding AG have been listed on the SIX Swiss Exchange since 1995 (BEAN). The registered office is in Hinwil (Switzerland).

1.2 Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

The reporting date for BELIMO Holding AG, all of its subsidiaries and for these consolidated financial statements is December 31, 2021. The consolidated financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. Due to rounding, amounts presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount. The consolidated financial statements are prepared on the historical cost basis, unless a standard or interpretation prescribes another measurement basis for a particular caption, in which case this is explicitly stated in the accounting policies. The consolidated financial statements are published exclusively in English.

The presentation of consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments in applying accounting policies. This may have an effect on the reported income, expenses, assets, liabilities and contingent liabilities. In the event that such estimates and assumptions made in good faith by management at the time at which the financial statements are prepared subsequently differ from the actual circumstances, the original estimates and assumptions will be adjusted accordingly in the reporting period during which the circumstances change.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the notes (see notes 7 Income Taxes, 13 Property, Plant and Equipment, 17 Financial Liabilities, 18 Provisions and 19 Non-current Employee Benefits).

The COVID-19 pandemic had no material impact on the significant accounting estimates and assumptions. Consequently, no impairment loss was recognized as a result of the pandemic situation in the reporting period.

1.3 Changes in presentation/Restatement

During 2021, the Group discovered that certain transactions have been erroneously recorded within the position currency translation adjustment in certain years. The cumulated errors have been corrected by restating the currency translation adjustment and retained earnings by CHF 1.2 million (i.e. reallocating) within the consolidated statement of changes in equity. Furthermore, the presentation of the consolidated statement of changes in equity has been adapted. Cumulated translation adjustments and changes of financial assets at fair value through other comprehensive income are reported as other reserves, with details disclosed in note 8 Equity and Earnings per Share.

Belimo re-assessed the presentation of the trade receivables in the segment reporting. As of 2021, the Group discloses a split of trade receivables to group companies and to third parties. Comparative figures have been adjusted accordingly.

1.4 Changes in Accounting Policies

The adoption of the amended standards, which became effective in 2021, did not materially affect the consolidated financial statements of the Group.

A number of new and revised standards and interpretations become effective on January 1, 2022 or later and earlier application is permitted. Belimo has not early applied these standards. The expected impact of these standards and interpretations on the consolidated financial statements of Belimo is disclosed at the bottom of the following table.

	Effective date	Planned application
Amendments of Standards		
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) ¹⁾	01.01.2022	2022
Annual Improvements to IFRS Standards 2018 – 2020 ¹⁾	01.01.2022	2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) ¹⁾	01.01.2022	2022
Reference to the Conceptual Framework (Amendments to IFRS 3) ¹⁾	01.01.2022	2022
Classification of liabilities as current or non-current (Amendments to IAS 1) ¹⁾	01.01.2023	2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) ¹⁾	01.01.2023	2023
Definition of Accounting Estimate (Amendments to IAS 8) ¹⁾	01.01.2023	2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes ¹⁾	01.01.2023	2023

¹⁾ No or no significant impact is expected on the consolidated financial statements of Belimo.

1.5 Basis of Consolidation

Scope of Consolidation

The consolidated financial statements include all companies (subsidiaries) that are controlled either directly or indirectly by BELIMO Holding AG. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the company and is able to affect those returns through its power over the company.

Subsidiaries that are acquired or sold during the course of the year are consolidated with effect from the date on which control commences and deconsolidated with a gain or loss included in the income statement from the date on which control is lost.

Eliminations

Assets, liabilities, income and expenses are recognized on a 100 percent basis using the full consolidation method. Intercompany income and expenses and intercompany receivables and payables are eliminated. Any unrealized profits arising from intercompany transactions are eliminated, affecting net income. Unrealized losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

1.6 Currency Translation

Transactions in Foreign Currency

Transactions in a foreign currency are translated into the functional currency at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Any foreign currency gains or losses resulting from transactions and from the translation of balance sheet items denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the date of the transaction.

Group Companies

Financial statements of foreign operations are translated into Swiss francs as follows: for the balance sheet, at the exchange rates at the reporting date; for the income statement, the statement of comprehensive income and the statement of cash flows, at the average exchange rate. Any translation differences arising from the translation of the balance sheets, income statements and the statements of comprehensive income are recognized in other comprehensive income with no effect on the consolidated income statement. This also applies to loans that are part of a net investment in a foreign operation. At the date of the loss of control over a foreign operation, the associated cumulative exchange differences are reclassified to the income statement.

	Year-end rates		Average rates	
	2021	2020	2021	2020
in CHF				
CAD	0.72	0.69	0.73	0.70
CNY	0.14	0.13	0.14	0.14
EUR	1.03	1.08	1.09	1.07
PLN	0.22	0.24	0.24	0.24
USD	0.91	0.88	0.91	0.95

2 Changes to the Scope of Consolidation

On June 8, 2021, the distribution company BELIMO Belgium BV was founded.

In the financial year 2020, Belimo acquired all shares of Opera Electronics Inc., a specialist in air quality and gas sensors. Subsequent to the acquisition, Opera Electronics Inc. was merged into the newly incorporated subsidiary BELIMO Sensors Inc. Total purchase price amounted to CHF 3.3 million of which CHF 2.8 million was settled in cash in 2020. The remainder, contingent and deferred consideration of CHF 0.5 million, came due and was settled in 2021. The net assets acquired included cash and cash equivalents of CHF 0.1 million, intangible assets of CHF 3.5 million, other assets of CHF 0.8 million and liabilities of CHF 1.1 million. The acquired business contributed immaterial net sales and net income to the Group for the period from December 1, to December 31, 2020. If the acquisition had occurred on January 1, 2020, consolidated pro-forma net sales and net income for the reporting year would have been CHF 663.3 million and CHF 86.8 million respectively. Thus, the impact of Opera Electronics Inc. would have been CHF 2.1 million on net sales and CHF 0.2 million on net income. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the Group and the subsidiary, and for additional amortization on intangible assets.

3 Segment Reporting

The reportable operating segments are determined using the management approach: external segment reporting is based on the Group's internal organization and management structure, as well as the internal financial reporting to the Chief Operating Decision Maker – the Board of Directors of BELIMO Holding AG.

Sales are measured net of sales tax, credits for returns and discounts and are recognized when control of the goods transfers to the customer. Due to the current business model, the performance obligations are satisfied at a point in time. Generally, sales are recognized upon shipment or upon delivery, as defined in the general terms and conditions and in compliance with generally accepted incoterms. Performance obligations in contracts with customers have a duration of one year or less. Warranty conditions provide a customer solely with assurance that the related product complies with agreed-upon specifications. Consequently, the accounting for the warranty is in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Payment terms are adapted to local market conditions. For the majority of revenue, payment terms of 1 to 60 days are applied.

Belimo develops, produces and distributes innovative damper actuator, control valve, and sensor/meter solutions for heating, ventilation and air conditioning (HVAC) systems. All products are made from comparable materials and manufactured using similar processes.

The Group has four reportable operating segments which constitute its strategic divisions. With a view to maintaining a market presence in close proximity to its customers, the three geographical strategic Group divisions "Europe," "Americas" and "Asia Pacific" are run by regional managers. The organization of the strategic Group division "Shared Services" is subdivided and managed mainly centrally as a cost center by the Swiss company. No sales are therefore allocated to this segment.

The activities of the reportable segments are as follows:

Europe, Americas, Asia Pacific. Distribution and sale of Belimo products in the respective market region.

Shared Services. Research and development activities, production, logistics, customizing, the functions finance and administration, strategy and brand management as well as the expenses for the Executive Committee and the Board of Directors.

The performance of the geographic segments is measured using the cost-sales ratio (operating expenses, depreciation and amortization as a percentage of sales). Material expenses cannot be reliably allocated to the segments due to the Group's principal structure. As a result of the group-wide application of a principal structure, the central production and sales company in Switzerland is the main risk carrier. The opportunities and risks of the sales companies are limited to their local market risk.

With regard to segment assets, only trade receivables, property, plant and equipment as well as intangible assets are allocated. Liabilities are only reported in full in the internal financial reporting and are not allocated to the reportable segments.

	Europe	Americas	Asia Pacific	Shared Services	Elimination	Total
in CHF 1 000						
2021						
Income statement						
Net sales – Third parties	375 556	291 387	98 400	–	–	765 343
Other operating income	–	–	–	2 252	–	2 252
Operating expenses	–47 944	–39 921	–19 562	–189 013	12 684	–283 757
Depreciation and amortization	–3 424	–4 707	–1 928	–22 972	–	–33 032
Segment profit	324 187	246 758	76 910	–209 734	12 684	450 806
Unallocated material expenses						–311 504
Unallocated changes in inventories						4 695
Unallocated other operating income						1 367
Unallocated financial result						–1 983
Earnings before taxes (EBT)						143 380
Cash effective investments in property, plant and equipment and intangible assets	2 186	1 121	18 174	25 244	–	46 725
Balance sheet as at December 31, 2021						
Trade receivables – Third parties	39 155	41 565	17 479	–	–	98 199
Trade receivables – Group companies	19 940	1	128	–	–20 069	–
Property, plant and equipment and intangible assets	10 715	39 508	25 787	143 233	–	219 242
Unallocated assets						325 230
Total assets						642 671
2020						
Income statement						
Net sales – Third parties	322 285	253 875	85 067	–	–	661 226
Other operating income	–	–	–	430	–	430
Operating expenses	–44 629	–35 417	–17 059	–173 263	13 996	–256 372
Depreciation and amortization	–3 426	–4 355	–2 060	–21 431	–	–31 272
Segment profit	274 230	214 103	65 947	–194 263	13 996	374 013
Unallocated material expenses						–267 872
Unallocated changes in inventories						1 278
Unallocated other operating income						646
Unallocated financial result						–7 277
Earnings before taxes (EBT)						100 788
Cash effective investments in property, plant and equipment and intangible assets	1 061	2 223	1 492	24 188	–	28 964
Balance sheet as at December 31, 2020, restated¹⁾						
Trade receivables – Third parties ¹⁾	34 311	31 412	15 546	–	–	81 269
Trade receivables – Group companies ¹⁾	26 017	–	89	–	–26 106	–
Property, plant and equipment and intangible assets	11 241	42 083	8 521	142 397	–	204 241
Unallocated assets						297 948
Total assets						583 458

¹⁾ See note 1.3

Net sales growth by market regions was as follows:

	2021				2020			
	Net Sales	% ¹⁾	Growth in CHF	Growth in local currencies	Net Sales	% ¹⁾	Growth in CHF	Growth in local currencies
in CHF 1 000								
Europe	375 556	49%	16.5%	15.9%	322 285	49%	-2.0%	1.8%
Americas	291 387	38%	14.8%	18.1%	253 875	38%	-7.0%	-1.8%
Asia Pacific	98 400	13%	15.7%	14.4%	85 067	13%	-6.6%	-1.1%
Total	765 343	100%	15.7%	16.6%	661 226	100%	-4.5%	0.0%

¹⁾ Contribution to total net sales

Overall, movements in exchange rates had an effect of -0.9 percentage points on net sales (previous year -4.5 percentage points). Around 34 percent of net sales were denominated in US dollar, 31 percent in euro, 9 percent in Swiss franc and 26 percent in other currencies (previous year 34 percent in US dollar, 30 percent in euro, 10 percent in Swiss franc and 26 percent in other currencies).

The net sales by applications were as follows:

	2021				2020			
	Net Sales	% ¹⁾	Growth in CHF	Growth in local currencies	Net Sales	% ¹⁾	Growth in CHF	Growth in local currencies
in CHF 1 000								
Air	423 381	55%	14.9%	15.5%	368 415	56%	-4.4%	0.0%
Water	341 961	45%	16.8%	17.9%	292 812	44%	-4.7%	-0.1%
Total	765 343	100%	15.7%	16.6%	661 226	100%	-4.5%	0.0%

¹⁾ Contribution to total net sales

The following table shows information on geographic regions:

	Net sales to third parties		Property, plant and equipment, intangible assets	
	2021	2020	December 31, 2021	December 31, 2020
in CHF 1 000				
Germany	78 400	69 005	15 629	14 259
Central Eastern Europe	57 135	49 333	254	366
Italy	26 259	20 853	1 747	1 513
France	25 167	21 060	671	837
Switzerland	22 130	20 770	116 340	116 184
Others	166 464	141 265	7 887	8 606
Europe	375 556	322 285	142 529	141 766
USA	226 203	199 804	47 606	48 552
Canada	56 329	45 785	2 664	3 795
Others	8 855	8 287	90	133
Americas	291 387	253 875	50 361	52 479
China	53 667	44 913	16 217	3 041
Others	44 733	40 154	10 137	6 954
Asia Pacific	98 400	85 067	26 353	9 996
Total	765 343	661 226	219 242	204 241

4 Personnel Expenses

In the case of defined contribution plans, the expenses recognized in the income statement correspond to the contributions paid by the employer.

Received grants from governments in relation to the COVID-19 pandemic are recognized in line with the recognition of the expenses that the grant intends to compensate.

Share-based payments

The share purchase plan gives the employees of Belimo (including members of the Executive Committee) an opportunity to purchase shares of BELIMO Holding AG at preferential conditions. These shares are subject to a restriction period of three years.

The share-based payment transactions are classified as equity-settled share-based payments within IFRS 2. The cost of equity-settled transactions is measured with reference to the fair value at the date on which they are granted. The fair value is determined indirectly, based on observable market prices of the shares of BELIMO Holding AG, reduced by the contribution of the employee. Upon transfer of the shares, the employee will have full shareholder rights (including voting and dividend rights) and as such, the restriction period has no impact on the fair value. The fair value is not subsequently re-measured after the grant date.

	2021	2020
in CHF 1 000		
Wages and salaries	- 160 176	- 146 777
Expenses for share-based payments	- 1 570	- 1 233
Social security contributions	- 21 798	- 21 724
Defined benefit expenses	- 9 672	- 11 523
Defined contribution expenses	- 4 768	- 3 629
Other personnel expenses	- 9 103	- 7 134
Total	- 207 087	- 192 020

In 2021, Belimo extended the employee share purchase plan that had been introduced in 2020. It now grants eligible employees in Switzerland, Germany, Canada, the United States, Hong Kong and China the option of purchasing Belimo shares up to a maximum of 20 percent of their variable remuneration or between one and ten shares. For the members of the Executive Committee, the mandatory contribution to the employee share purchase plan amounts to 40 percent of the variable remuneration paid in December, with the option to voluntarily further participate up to 100 percent of the variable remuneration paid in December.

The purchase price per share shall generally be equivalent to 70 percent of the lower of the average closing price one month before the purchase date or the closing price at the purchase date of BELIMO Holding AG shares at the SIX Swiss Exchange.

The shares are granted with the final approval of the execution of the share-based payment transactions by the Board of Directors close before or on the purchase date. The Board of Directors may amend, suspend or terminate the employee share purchase plan at any time in any respect the Board of Directors deems necessary or advisable. No purchase rights may be granted under the employee share purchase plan while the employee share purchase plan is suspended or after it is terminated. The plan includes a vesting condition (service condition between the grant date and the purchase date), but no option features.

During the reporting period, employees subscribed to 8 972 of restricted shares (previous year 9 960, adjusted for share split 2021 see note 8). The market price of the BELIMO Holding AG share at the purchase date was CHF 535.00 (previous year CHF 385.50, adjusted for share split 2021 see note 8) and the average fair value of the share-based payments granted was CHF 160.50 (previous year CHF 115.65, adjusted for share split 2021 see note 8).

Personnel expenses (including fees) recognized for share-based payments during the year amounted to CHF 1.6 million (previous year CHF 1.2 million) and the employee contribution amounted to CHF 3.4 million (previous year CHF 2.7 million). The employee contribution settled through salary deductions amounted to CHF 2.3 million (previous year CHF 2.1 million) and is treated in the cash flow statement as non-cash transaction (deferred compensation share-based payments).

Other personnel expenses comprise incidental costs of staff recruitment, training and development as well as external staff costs.

In the reporting period, Belimo received government subsidies in form of wage compensation, reduction of social security contributions and defined contribution expenses in the amount of CHF 0.1 million (previous year CHF 1.2 million) due to the COVID-19 pandemic.

5 Other Operating Income/Expenses

	2021	2020
in CHF 1 000		
Own work capitalized	2 252	430
Other income	1 367	646
Total other operating income	3 619	1 076
Travel and representation	- 4 173	- 4 212
Rental and maintenance	- 6 142	- 6 016
Consulting	- 14 705	- 10 196
Marketing	- 6 158	- 6 054
IT	- 8 538	- 8 493
External research and development	- 14 656	- 14 301
Freight and packaging material	- 10 527	- 8 718
Warranty	- 5 343	- 2 310
Miscellaneous expenses	- 6 427	- 4 053
Total other operating expenses	-76 670	-64 352
Total	-73 051	-63 276

Research and development costs of CHF 56.0 million (previous year CHF 53.8 million) are included mainly in personnel and in external research and development expenses, of which CHF 2.3 million (previous year CHF 0.4 million) were capitalized. Miscellaneous expenses include expenses for insurance, office supplies as well as changes in allowances for doubtful trade receivables.

6 Financial Result

The financial result is composed primarily of interest expenses on borrowings and lease liabilities, interest income, foreign exchange gains and losses, bank charges, as well as gains and losses on derivative financial instruments. Interest income and expenses are recognized in accordance with the effective interest method.

	2021	2020
in CHF 1 000		
Interest income	259	103
Net gain from derivative financial instruments	144	–
Other financial income	2	148
Financial income	405	251
Interest expenses	– 979	– 1 174
Net loss from derivative financial instruments	–	– 236
Other financial expenses	– 659	– 511
Financial expenses	– 1 638	– 1 921
Foreign exchange loss	– 750	– 5 606
Total	– 1 983	– 7 277

7 Income Taxes

Income taxes include current and deferred income taxes. Income taxes are recognized in the income statement unless they relate to an item which is recognized in other comprehensive income or directly in equity.

Current income taxes are determined with regard to taxable profit, based on the tax rates in force as of the reporting date, including tax expenses for previous periods.

Deferred taxes are calculated using the balance sheet liability method on all temporary differences between the tax basis and the IFRS carrying amounts. No deferred taxes are recognized for the following temporary differences: initial recognition of assets or liabilities in a transaction that neither affects taxable nor accounting profit and investments in subsidiaries if it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets, including the tax benefits from deductible tax losses carried forward, are recognized only if it is probable that the temporary differences or losses carried forward can be offset against future taxable profits.

Estimates are required to determine the total assets and liabilities for current and deferred taxes. There are transactions and calculations for which the final tax assessment is uncertain by the end of the reporting period, e.g., the final step-up amount. Where the actual outcome of final tax assessments or tax audits of such matters differs from the amounts that were initially recognized, such differences may materially impact the income tax and deferred tax positions in the period in which such a determination is made.

Income tax expenses consist of the following:

	2021	2020
in CHF 1 000		
Current income taxes	- 24 673	- 15 568
Deferred taxes	- 3 203	1 421
Income tax recognized	- 27 876	- 14 148
	2021	2020
in CHF 1 000		
Income before taxes	143 380	100 788
Expected tax expenses	- 28 043	- 20 076
applicable tax rate	19.6%	19.9%
Non-deductible expenses	- 571	- 952
Tax-exempt income	4 280	7 416
Adjustments from previous years	- 2 570	- 503
Non-reclaimable withholding taxes	- 308	- 376
Effect of companies with mixed tax rates	- 851	- 699
Change in tax rate	55	1 159
Other	- 128	- 116
Income tax recognized	- 27 876	- 14 148
effective tax rate	19.4%	14.0%

As Belimo operates in several jurisdictions, the applicable tax rate is computed as the weighted average of the applicable tax rate per jurisdiction. The applicable tax rate decreased by 0.3 percentage points in the financial year 2021. There were no major changes in the structure of Belimo Group which would have impacted the applicable tax rate in 2021.

On January 1, 2020, the Swiss federal law on the tax reform and AHV financing (TRAF) entered into force. The Canton of Zurich, where Belimo is headquartered, introduced certain provisions in the cantonal tax laws (e.g., patent box, additional R&D deductions) including transitional measures. Based on these transitional measures, in the balance sheet deferred taxes on intangible assets of CHF 22.9 million were recognized at the end of year 2021 (previous year CHF 26.6 million). The decrease of the deferred taxes on intangible assets resulted from amortization as well as from an update of the valuation of the step-up by CHF - 1.3 million presented in adjustments from previous years.

Tax-exempt income includes additional R&D deductions of CHF 3.6 million (previous year additional R&D deductions of CHF 3.7 million and updated valuation of the step-up by CHF 2.8 million) because of Belimo's strong R&D base in Switzerland.

Some Group companies are taxed at different rates, depending on the source of income. The effect of these mixed tax rates is presented as a separate item in the reconciliation above.

The deferred tax assets and liabilities were attributable to the following balance sheet items:

	December 31, 2021			December 31, 2020		
	Deferred tax			Deferred tax		
	assets	liabilities	net	assets	liabilities	net
in CHF 1 000						
Receivables	197	-2 788	-2 591	215	-2 172	-1 957
Inventories	3 015	-6 332	-3 317	379	-4 363	-3 984
Property, plant and equipment	234	-9 089	-8 855	262	-9 032	-8 770
Intangible assets	22 976	-1 833	21 143	26 805	-2 034	24 771
Other assets	19	-253	-233	-	-	-
Non-current employee benefits	-	-	-	-	-500	-500
Current liabilities	899	-24	876	650	-	650
Non-current financial liabilities	611	-	611	319	-	319
Tax losses carried forward and tax credits	608	-	608	477	-	477
Total (gross)	28 558	-20 318	8 240	29 106	-18 101	11 005
Set-off of tax	-18 190	18 190	-	-16 616	16 616	-
Total (net)	10 368	-2 128	8 240	12 490	-1 485	11 005

In the reporting period and in the previous year, the Group did not recognize any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries. The following table summarizes the movements in the net deferred tax position:

	2021	2020
in CHF 1 000		
As at January 1	11 005	9 945
Change in scope of consolidation	-	-914
Recognized in the income statement	-3 203	1 421
Recognized in other comprehensive income	469	667
Translation differences	-31	-115
As at December 31	8 240	11 005

Deferred tax assets on tax losses carried forward and tax credits as well as losses carry-forwards without capitalized tax effect expire as follows:

	Expiry in 1-5 years	Expiry after 5 years	No expiry	December 31, 2021	December 31, 2020
in CHF 1 000					
Deferred tax assets on tax losses carried forward and tax credits	44	243	321	608	477
Loss carry-forwards without capitalized tax effect	628	1 031	262	1 921	1 380

In addition, no deferred income tax assets have been recognized from deductible temporary differences in the amount of CHF 0.2 million (previous year CHF 0.5 million).

8 Equity and Earnings per Share

Shares are a component of equity, as they are not redeemable and there is no dividend guarantee. Treasury shares are recorded as a deduction from equity. Capital reserves correspond to premiums from capital increases and the gains or losses from treasury share sales as well as from share-based payment awards. Other reserves contain the accumulated foreign exchange differences arising from the translation of the financial statements of foreign Group companies and intercompany loans which form part of a net investment in a foreign operation as well as the accumulated fair value changes of investments measured at fair value through other comprehensive income (FVOCI). Retained earnings include the remeasurement of the post-employment benefits and their tax effect, as well as of share-based payment transactions and accumulated retained earnings of prior periods.

As per the resolution of the Annual General Meeting of BELIMO Holding AG held on March 29, 2021, a dividend of CHF 150.00 per registered share was paid out on April 6, 2021 and a twenty-for-one share split was conducted a day later, on April 7, 2021. Following the share split, the number of registered shares amounts to 12.3 million. In the interest of comparability, earnings per share and dividend per registered share for the previous year have been adjusted accordingly.

		2021	2020
Net income attributable to shareholders of BELIMO Holding AG	in CHF 1 000	115 671	86 715
Average outstanding shares ¹⁾	Number	12 298 556	12 298 480
Dividend per registered share ^{1), 2)}	in CHF	8.50	7.50
Total dividend ²⁾	in CHF 1 000	104 550	92 250
Earnings per share (EPS) ¹⁾	in CHF	9.41	7.05

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the table above.

²⁾ 2021: Proposed by the Board of Directors

The average number of outstanding shares is calculated based on the number of shares issued, less the average number of treasury shares held.

Share Capital

		December 31, 2021	December 31, 2020 ¹⁾
Par value per share	in CHF	0.05	0.05
Outstanding shares	Number	12 298 872	12 299 420
Treasury shares	Number	1 128	580
Total registered shares	Number	12 300 000	12 300 000

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the table above.

The share capital of BELIMO Holding AG consists of one class of voting rights.

Treasury Shares

	2021	2020 ¹⁾
Number of shares		
As at January 1	580	1 140
Purchases of treasury shares	9 520	9 400
Treasury shares awarded for share-based payments	- 8 972	- 9 960
As at December 31	1 128	580

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the table above.

Reserves and Retained Earnings

	December 31, 2021	December 31, 2020
in CHF 1 000		
Currency translation adjustment	- 16 751	- 17 836
Financial assets at FVOCI	751	-
Total other reserves	- 15 999	- 17 836
Capital reserves	24 113	24 110
Retained earnings	503 176	482 618
Total	511 290	488 892

9 Cash and Cash Equivalents

Cash and cash equivalents are measured at amortized cost. They are also subject to the impairment requirements of IFRS 9.

	December 31, 2021	December 31, 2020
in CHF 1 000		
Cash	109 408	104 942
Cash equivalents	-	60 000
Total	109 408	164 942

Cash consists of bank and postal accounts and cash on hand. Cash equivalents include term deposits with a maturity of three months or less from the date of acquisition. The impairment assessment in the reporting period and previous year showed no need for an adjustment.

10 Trade Receivables

Trade receivables are initially recognized at the transaction price. Belimo holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost. Loss allowances are always measured at an amount equal to lifetime expected credit losses. The Group uses an allowance matrix to determine the expected credit loss. The loss rates are based on actual credit loss experience during recent years, amended by current conditions and the Group's view of economic conditions. Individual allowances are recognized for specifically identified trade receivables with objective default evidence. The gross carrying amount of trade receivable assets is written off when the Group has no reasonable expectations of recovering financial assets in their entirety or a portion thereof.

	December 31, 2021	December 31, 2020
in CHF 1 000		
Trade receivables	100 011	83 031
Allowance	- 1 812	- 1 763
Total	98 199	81 269

Trade receivables by market region were as follows:

	December 31, 2021	December 31, 2020
in CHF 1 000		
Europe	39 155	34 311
Americas	41 565	31 412
Asia Pacific	17 479	15 546
Total	98 199	81 269

There were no cluster risks. The receivables in the Americas related mainly to the United States.

Movements in allowance for doubtful trade receivables were as follows:

	2021	2020
in CHF 1 000		
As at January 1	- 1 763	- 2 175
Increase	- 271	- 182
Utilization	166	227
Reversals	60	219
Translation differences	- 4	148
As at December 31	- 1 812	- 1 763

The aging and allowance of trade receivables were as follows:

	Default rate	December 31, 2021		December 31, 2020	
		Gross	Allowance	Gross	Allowance
in CHF 1 000					
Not due	0.5%	77 995	- 396	65 252	- 335
Overdue 1 to 30 days	3.0%	15 552	- 467	11 794	- 350
Overdue 31 to 60 days	5.0%	3 785	- 189	3 366	- 166
Overdue 61 to 180 days	10.0%	2 132	- 213	1 898	- 190
Total trade receivables measured using the provision matrix		99 464	- 1 266	82 310	- 1 041
Individual allowances	100.0%	547	- 547	722	- 722
Total		100 011	- 1 812	83 031	- 1 763

11 Inventories

Inventories are measured at the lower of cost and net realizable value. The costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realizable value is the expected average selling price less the expected costs of completion and the estimated costs necessary to make the sale.

Purchased inventories are measured at acquisition cost, internally generated products at cost of production. These latter costs include direct material and production costs and directly attributable overhead expenses. The overhead production expenses are calculated on the basis of normal capacity of production facilities. Based on a range analysis, items with a slow rate of turnover are written down by 20 to 100 percent.

	December 31, 2021	December 31, 2020
in CHF 1 000		
Raw materials and consumables	68 406	52 179
Work in progress	625	430
Finished goods	57 351	52 851
Total inventories (net)	126 382	105 461
Allowance on raw materials and consumables	- 3 156	- 2 582
Allowance on finished goods	- 6 823	- 5 918
Total allowance	- 9 979	- 8 501

The allowance amounted to 7.3 percent (previous year 7.5 percent) of the gross value of inventories.

Movements in allowance were as follows:

	2021	2020
in CHF 1 000		
As at January 1	- 8 501	- 7 450
Increase	- 3 283	- 3 301
Utilization	1 730	2 002
Reversals	82	153
Translation differences	- 8	95
As at December 31	- 9 979	- 8 501

12 Other Assets

Other assets other than derivatives are measured at amortized cost and are subject to the impairment requirements of IFRS 9. Derivative financial instruments are measured at fair value through profit or loss with any changes therein recognized in the financial result.

	December 31, 2021	December 31, 2020
in CHF 1 000		
Non-income tax receivables	6 326	4 618
Advance payments and deferred expenses	6 635	4 330
Term deposits	60 000	-
Derivative financial instruments	169	78
Other receivables	493	335
Total	73 623	9 361

The impairment assessment in the reporting period and previous year showed no need for an adjustment.

Term deposits consist of bank deposits with maturities of more than three but less than twelve months from the date of acquisition.

13 Property, Plant and Equipment

Owned Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Significant parts of an item of property, plant and equipment with different useful lives are accounted for separately. Subsequent expenditure is capitalized if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure for maintenance and repair is recognized in the income statement. Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, or over the shorter lease term.

The estimated useful lives applied by the Group are as follows:

Land, buildings	Land	Unlimited
	Buildings (components with different useful lives)	10 – 60 years
Tools, machinery	Transportation equipment, tools and machinery, workshop and warehouse facilities	5 – 9 years
	Tools at suppliers and testing equipment	3 – 5 years
Furniture, fixtures and movable equipment	Furniture and fixtures	2 – 8 years
	Leasehold improvements	5 – 10 years
	Motor vehicles, office machinery and IT equipment	2 – 5 years

The expected residual value, if not immaterial, is reviewed annually. If there is any impairment indication at the reporting date, the recoverable amount is estimated. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. To determine the value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. An impairment loss is recognized in the income statement, if the carrying amount of an asset or of the cash-generating unit to which the asset belongs exceeds the recoverable amount.

Leased Property, Plant and Equipment

Belimo assesses whether a contract is or contains a lease at the inception of the contract. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use assets are measured at cost, including the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any incentives received, any initial direct costs, and restoration costs. Lease liabilities are initially measured at the present value of the lease payments, discounted by using the incremental borrowing rate.

The incremental borrowing rates used for the measurement of the right-of-use asset and the lease liability have been defined, based on a base rate depending on the currency and maturity of the underlying lease contract, as well as on a risk premium, taking into account the company and asset specific risks.

In accordance with IFRS 16, Belimo does not recognize short-term leases with a lease period of 12 months or less and leases of low-value assets on the balance sheet.

Land and buildings: The Group leases land and buildings for its office and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Typically, leases are made for a fixed period of 1–5 years and may include extension options. Management judgment is required to define if an extension option is reasonably certain to be exercised.

Furniture, fixtures, movables equipment: The major part refers to leased cars as well as to office equipment, with a contract duration of 3 years on average.

The right-of-use assets are depreciated from the commencement dates to the earlier of the end of the useful lives or the end of the lease terms.

	Land, buildings	Tools, machinery	Furniture, fixtures, movable equipment	Advance payments, assets under construction	Total
in CHF 1 000					
Costs					
As at January 1, 2020	223 367	114 409	27 920	2 574	368 270
Additions	5 950	11 492	3 686	6 528	27 656
Disposals	-374	-1 299	-1 608	-	-3 282
Reclassifications	297	1 977	65	-2 339	-
Change in scope of consolidation	16	12	-	-	28
Translation differences	-7 138	-1 887	-1 224	-200	-10 448
As at December 31, 2020	222 118	124 703	28 839	6 564	382 225
Additions	5 130	9 570	3 619	22 148	40 466
Disposals	-2 795	-825	-3 305	-	-6 926
Reclassifications	1 427	1 176	12	-2 614	-
Translation differences	1 416	597	62	290	2 365
As at December 31, 2021	227 295	135 221	29 226	26 388	418 130
Accumulated depreciation					
As at January 1, 2020	-69 502	-90 383	-17 469		-177 354
Depreciation	-11 318	-10 081	-4 143		-25 542
Disposals	318	1 299	1 584		3 202
Translation differences	2 111	1 257	772		4 140
As at December 31, 2020	-78 391	-97 908	-19 255		-195 554
Depreciation	-11 471	-10 790	-4 229		-26 490
Disposals	1 780	724	3 249		5 753
Translation differences	-594	-442	-55		-1 092
As at December 31, 2021	-88 677	-108 417	-20 290		-217 383
Carrying amounts					
As at January 1, 2020	153 865	24 026	10 451	2 574	190 916
As at December 31, 2020	143 727	26 795	9 585	6 564	186 671
As at December 31, 2021	138 619	26 804	8 936	26 388	200 747

The additions consisted of:

	2021	2020
in CHF 1 000		
Cash effective investments in property, plant and equipment	38 935	22 790
Non-cash effective additions to the right-of-use-assets	2 621	3 157
Net change in deferred consideration for investments	- 1 090	1 709
Total Additions	40 466	27 656

The impairment assessment in the reporting period and previous year showed no need for adjustment. The sale of property, plant and equipment resulted in a gain of CHF 0.3 million (previous year gain of CHF 0.2 million).

Commitments for investments in property, plant and equipment amounted to CHF 32.6 million (previous year CHF 11.9 million), of which CHF 28.9 million in relation to building extension projects in all market regions.

Additional Disclosures Leased Property, Plant and Equipment

	2021				2020		
	Land, buildings	Furniture, fixtures, movable equipment	Advances for assets leased	Total	Land, buildings	Furniture, fixtures, movable equipment	Total
in CHF 1 000							
Additions to the right-of-use assets	1 940	682	7 203	9 825	2 396	761	3 157
Depreciation	- 3 481	- 721	-	- 4 202	- 3 345	- 702	- 4 048
Change in scope of consolidation	-	-	-	-	16	-	16
Net carrying amount as at December 31	10 310	972	7 341	18 623	12 841	983	13 825

The total cash outflow for lease payments was as follows:

	2021	2020
in CHF 1 000		
Repayment of lease liabilities	- 4 218	- 3 713
Interest paid for lease liabilities	- 466	- 540
Payments for short-term leases and for leases of low-value assets	- 480	- 577
Total	- 5 164	- 4 830

The portfolio of short-term leases and leases of low-value assets to which Belimo was committed at the end of the reporting period is similar to the portfolio of the reporting period.

The contractual maturities of the lease liabilities are disclosed in note 20.3.

14 Intangible Assets

The Group's intangible assets comprise acquired software, non-contractual customer relationships, internally generated intangible assets, patents, trademarks, technology and other rights. Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their estimated useful lives from the time at which they become available for use.

The estimated useful lives applied by the Group are as follows:

Software	2 – 5 years
Customer relationships	3 – 10 years
Internally generated intangible assets	2 – 5 years
Patents, trademarks, technology and other rights	3 – 10 years

Internally generated intangible assets include capitalized development costs. Development costs incurred to obtain new or substantially improved products and processes are capitalized if the resulting products and processes are technically and commercially feasible and if it is probable that they will generate future economic benefits. In addition, the Group must intend and have sufficient resources available to complete the development and to use or sell the asset. Development costs previously recognized as expenses are not recognized as assets in subsequent periods. Capitalized development costs of projects that have not yet been completed are not amortized but subject to an annual impairment test. Research costs incurred to gain new basic or technological knowledge and understanding are recognized in the income statement.

Subsequent expenditure in intangible assets is capitalized if it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses are recognized in the income statement when they are incurred.

The carrying amounts of intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. The impairment process is similar to the one described in note 13 Property, Plant and Equipment.

	Software	Customer relationships	Internally generated intangible assets	Patents, trademarks, technology and other rights	Advance payments	Total
in CHF 1 000						
Costs						
As at January 1, 2020	28 287	12 517	5 460	-	1 625	47 889
Additions	3 651	-	430	-	2 569	6 649
Disposals	-314	-6 619	-1 067	-	-	-8 000
Reclassifications	1 642	-	-	-	-1 642	-
Change in scope of consolidation	-	2 459	-	991	-	3 450
Translation differences	-301	91	-	-10	-3	-223
As at December 31, 2020	32 964	8 448	4 824	981	2 549	49 766
Additions	4 048	-	2 252	-	1 162	7 462
Disposals	-190	-	-1 309	-	-	-1 499
Reclassifications	2 549	-	-	-	-2 549	-
Translation differences	94	-289	-	71	-	-123
As at December 31, 2021	39 466	8 159	5 766	1 052	1 162	55 606
Accumulated amortization						
As at January 1, 2020	-23 855	-8 108	-2 748	-	-	-34 711
Amortization	-3 676	-1 146	-900	-8	-	-5 730
Disposals	314	6 619	1 067	-	-	8 000
Translation differences	263	-16	-	-	-	246
As at December 31, 2020	-26 954	-2 651	-2 582	-8	-	-32 195
Amortization	-4 665	-1 004	-769	-105	-	-6 542
Disposals	190	-	1 309	-	-	1 499
Translation differences	-84	214	-	-2	-	128
As at December 31, 2021	-31 513	-3 441	-2 041	-115	-	-37 111
Carrying amounts						
As at January 1, 2020	4 432	4 409	2 712	-	1 625	13 178
As at December 31, 2020	6 010	5 796	2 242	973	2 549	17 571
As at December 31, 2021	7 953	4 718	3 725	937	1 162	18 495

CHF 2.2 million (previous year CHF 0.3 million) of internally generated intangible assets (capitalized development costs) are not yet available for use and have not yet been amortized.

The additions consisted of:

	2021	2020
in CHF 1 000		
Cash effective investments in intangible assets	7 790	6 174
Net change in deferred consideration for investments	– 328	475
Total Additions	7 462	6 649

The impairment assessment in the reporting period and previous year showed no need for an adjustment.

Commitments for investments in intangible assets amounted to CHF 0.1 million (previous year CHF 2.3 million).

15 Non-current Financial Assets

Financial assets are generally measured at amortized costs, with the exception of investments held at fair value through other comprehensive income. Financial assets measured at amortized costs are subject to the impairment requirements of IFRS 9.

Non-current financial assets primarily comprise deposits relating to lease agreements for the business premises of various Group companies, investments held at fair value as well as loans to finance Belimo distribution companies. The identified impairment loss was immaterial and therefore no valuation allowance has been recognized.

16 Other Liabilities

Financial instruments other than derivatives included in other liabilities are recognized at amortized costs. Derivative financial instruments are measured at fair value through profit and loss, with any changes therein recognized in the financial result.

	December 31, 2021	December 31, 2020
in CHF 1 000		
Liabilities to employees	23 636	16 185
Accrued volume rebates to customers	14 861	10 163
Non-income tax payables	6 254	5 311
Social security liabilities	5 700	3 412
Derivative financial instruments	22	75
Other liabilities and accrued expenses	17 073	10 082
Total	67 546	45 228

17 Financial Liabilities

Other financial liabilities are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Lease liabilities are initially measured at the present value of the lease payments. Management judgment is required to determine the lease liabilities. Further details regarding lease accounting are described in note 13 Property, Plant and Equipment.

The changes in liabilities arising from financing activities are as follows:

	2021			2020		
	Lease liabilities	Other financial liabilities	Total	Lease liabilities	Other financial liabilities	Total
in CHF 1 000						
As at January 1	12 284	1 656	13 939	13 442	272	13 713
Proceeds from loans	–	–	–	–	1 285	1 285
Interest paid	– 466	– 19	– 485	– 540	–	– 540
Repayments	– 4 218	–	– 4 218	– 3 713	–	– 3 713
Cash flow used in financing activities	– 4 684	– 19	– 4 703	– 4 253	1 285	– 2 968
Payments for investments in property, plant and equipment from previous years	–	– 6	– 6	–	– 203	– 203
Payments of consideration for acquisitions	–	– 465	– 465	–	– 105	– 105
Cash flow used in investing activities	–	– 471	– 471	–	– 308	– 308
Change in scope of consolidation	–	–	–	16	–	16
Contingent and deferred consideration for acquisitions	–	–	–	–	552	552
Non-cash effective movements	1 464	– 61	1 403	3 100	– 148	2 952
Deferred payments for investments in property, plant and equipment	–	98	98	–	–	–
Interest expenses	466	53	520	540	–	540
Translation differences	11	– 29	– 18	– 562	2	– 560
Non-cash effective movements	1 942	61	2 003	3 096	406	3 502
As at December 31	9 541	1 227	10 768	12 284	1 656	13 939
of which current financial liabilities	3 545	–	3 545	4 122	443	4 565
of which non-current financial liabilities	5 996	1 227	7 223	8 162	1 213	9 375

Interest paid not related to financial liabilities and therefore not included in the table above amounted to CHF 0.4 million (previous year CHF 0.4 million).

18 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, an outflow of resources embodying economic benefits is probable and the amount of the obligation can be reliably estimated. They are discounted if the effect is material. Provisions are measured at the reporting date, based on the best estimate of the future outflow of economic benefits. Depending on the development and outcome of the events, claims may arise which are lower or higher than the recognized provision, or which are not or only partially covered by a corresponding insurance benefit. The actual payments may therefore differ from the provisions.

	Warranties	Others	Total 2021	Total 2020
in CHF 1 000				
As at January 1	4 561	833	5 395	5 071
Increase	6 206	6 112	12 318	3 324
Utilization	-4 256	-2 125	-6 381	-2 605
Reversals	-859	-19	-878	-412
Changes in scope of consolidation	-	-	-	18
Translation differences	-	3	3	-1
As at December 31	5 652	4 804	10 457	5 395
of which current provisions	4 778	3 531	8 308	4 297
of which non-current provisions	875	1 274	2 148	1 098

Provisions for warranties were calculated considering experienced returns in the past as well as current sales developments. They generally cover product and replacement costs for a warranty period of five years. Product liability incidents with property, plant and equipment damages were considered separately on a case by case basis.

Other provisions mainly include expected costs for legal litigations and for non-income tax risks.

19 Non-current Employee Benefits

The present value of the defined benefit obligations and the fair value of the plan assets are determined annually by independent actuaries for each plan and are recognized as a net defined benefit asset/liability. The present values of the defined benefit obligations are calculated using the projected unit credit method. The discount rate is based on the interest rate of high-quality corporate bonds in the currency in which the benefits will be paid and with terms approximating to the terms of the related defined benefit obligations.

Defined benefit costs recognized in the income statement include current service costs (service costs in the reporting period), past service costs (gains/losses from plan amendments and curtailments) and gains/losses on settlements. The net interest result (multiplication of the net defined benefit asset/liability and the effect of the asset ceiling with the discount rate) is recognized in the financial result. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income and are not reclassified subsequently to the income statement. Asset surpluses are consid-

ered only to the extent of possible future reimbursement or reduction of contributions in accordance with IFRIC 14.

The calculation of the net defined benefit asset/liability is based on actuarial assumptions. These can differ from actual future results. The discount rate and the life expectancy are material assumptions for the actuarial calculation.

	December 31, 2021	December 31, 2020
in CHF 1 000		
Post-employment benefits	–	2 550
Non-current employee benefit assets	–	2 550
Other long-term employee benefits	5 380	3 874
Non-current employee benefit liabilities	5 380	3 874

Other long-term employee benefits mainly include jubilee provisions.

19.1 Post-Employment Benefits

In addition to state social security schemes, some Group companies offer additional post-employment benefit plans, covering approximately half of all employees. Under some of these post-employment benefit plans, employees are required to make contributions, which are supplemented by corresponding employer contributions. The funding is made in accordance with local legal and fiscal requirements. Employees receive benefits in the event of death, disability or retirement. The only significant post-employment defined benefit plan exists in Switzerland.

Post-Employment Benefit Plan of BELIMO Automation AG

Swiss pension schemes are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and their implementing regulations. The BVG defines the minimum insured salary, the minimum retirement credits, as well as the interest rate applied to these credits and the conversion rate. On the basis of these legal provisions and the plan structure, the employer is exposed to actuarial risks such as investment risk, interest rate risk and the risk of disability, as well as the risk of longevity. The employee and employer contributions are defined by the Board of Trustees of the foundation. In the event of statutory underfunding, measures for its elimination must be taken. Possible measures could be an adjustment to the conversion rate or restructuring contributions from both the employer and the employees.

The Swiss pension plan is organized via an autonomous foundation. The plan is classified as a defined benefit plan in accordance with IAS 19 and as a defined contribution plan in accordance with the BVG. The most senior management body is the Board of Trustees, which is composed of an equal number of employee and employer representatives. It is legally obliged to act in the interests of the plan participants. The Board of Trustees is responsible for defining the investment strategy, effecting changes to the post-employment benefit plan regulations and determining the funding of pension plan benefits. The investment strategy is reviewed at least once a year.

Employer contributions to the pension scheme are defined in the applicable regulations as a fixed percentage of the insured salaries and include both savings and risk components. Retirement benefits are determined on the basis of the retirement savings capital held at the time of retirement. The insured individual can choose between a life-long annuity and a lump-sum payment. The annuity is calculated by

multiplying the retirement savings capital by the conversion rate as defined in the regulations. The annual retirement contributions and interest thereon are credited to the retirement savings capital. When employees leave the company, their retirement savings capital is transferred to the pension scheme of the new employer or to a vested benefits account.

An additional post-employment benefit plan at a collective foundation in Switzerland exists for the Executive Committee.

Post-Employment Benefits Development

In the reporting year, it was decided to transfer all risks to the beneficiaries and collective fund of the additional post-employment benefit plan of the Executive Committee at Sammelstiftung Vita Select (1e plan). The pension plan is therefore now classified as a defined contribution plan under IAS 19. The effects of the amendment to the pension plan resulted in a net gain on settlement of CHF 0.7 million recognized in the reporting year. The plan modification was applicable as of February 1, 2022.

In the financial year 2020, the Board of Trustees of the Swiss pension fund decided to reduce the conversion rate due to continuous low interest rates and pension losses. In order to mitigate the negative effect on the post-employment benefits, several compensating measures have been applied by the Board of Trustees. The plan amendment resulted in a net increase of the defined benefit obligations of CHF 0.9 million and has been recognized as past service costs in 2020. The plan amendment was applicable as of January 1, 2021.

The net defined benefit assets/liabilities are as follows:

	December 31, 2021	December 31, 2020
in CHF 1 000		
Defined benefit obligation	- 327 061	- 325 220
Fair value of plan assets	362 998	327 770
Surplus/(deficit) before asset ceiling	35 936	2 550
Adjustment to asset ceiling	- 35 936	-
Net defined benefit asset/(liability)	-	2 550

In 2021, the return on plan assets (including interest income) of CHF 23.9 million (previous year CHF 16.5 million), an actuarial gain on the defined benefit obligation of CHF 8.9 million (previous year loss of CHF 19.3 million), as well as other movements of CHF 0.7 million (previous year CHF - 3.0 million) led to a surplus of CHF 35.9 million (previous year surplus of CHF 2.6 million). The asset ceiling, being the economic benefits available in the form of reduction in future contribution to the Swiss pension plan, was zero in the reporting period. Therefore, the surplus was not recognized as a non-current asset as at December 31, 2021. In the previous year, the asset ceiling exceeded the surplus and consequently, a non-current asset of CHF 2.6 million was recognized as at December 31, 2020.

There are no significant unfunded plans in the reporting year (previous year none).

The movements in the net defined benefit asset/liability were as follows:

	2021				2020		
	Defined benefit obligations	Fair value of plan assets	Asset ceiling	Net defined benefit asset/(liability)	Defined benefit obligations	Fair value of plan assets	Net defined benefit asset/(liability)
in CHF 1 000							
As at January 1	- 325 220	327 770	-	2 550	- 286 436	294 859	8 422
Movements included in the income statement							
Current service costs	- 10 380			- 10 380	- 10 622		- 10 622
Past service costs	-			-	- 900		- 900
Gains and losses on settlement (net)	5 499	- 4 791		708	-	-	-
Interest result (net)	- 333	336		3	- 857	888	30
Total movements included in the income statement	- 5 214	- 4 455	-	- 9 669	- 12 380	888	- 11 492
Movements included in other comprehensive income							
Change in demographic assumptions	14 392			14 392	- 2 901		- 2 901
Change in financial assumptions	8 698			8 698	- 8 444		- 8 444
Experience adjustments	- 14 236			- 14 236	- 8 000		- 8 000
Return on plan assets (excluding interest income)		23 515		23 515		15 634	15 634
Change in asset ceiling (excluding interest expense)			- 35 936	- 35 936			-
Total movements included in other comprehensive income	8 855	23 515	- 35 936	- 3 566	- 19 345	15 634	- 3 711
Other movements							
Employer contributions		10 685		10 685		9 307	9 307
Employee contributions	- 7 797	7 797		-	- 6 970	6 970	-
Benefits paid from plan assets	2 315	- 2 315		-	- 114	114	-
Benefits paid by the employer	-			-	25		25
Total other movements	- 5 482	16 167	-	10 685	- 7 059	16 391	9 332
As at December 31	- 327 061	362 997	- 35 936	-	- 325 220	327 770	2 550

The weighted average duration of the defined benefit obligations is 14.7 years (previous year 17.6 years). The expected employer contributions for 2022 amount to CHF 10.4 million.

Investment Portfolio

The major categories of plan assets were as follows:

	December 31, 2021	December 31, 2020
Bonds	38.2%	45.1%
Shares	37.2%	34.9%
Real estate	23.9%	17.9%
Assets held by insurance company	0.0%	1.3%
Cash and cash equivalents	0.7%	0.8%
Total	100.0%	100.0%

The shares and bonds have quoted market prices on an active market. Real estate includes nationally and internationally listed real estate funds investing in residential and office properties. The investment strategy ensures the availability of liquidity at all times. The Group does not use any pension scheme assets.

Actuarial Assumptions and Sensitivity Analysis

With the publication of the new generation table, Belimo changed the basic probabilities used within the demographic assumptions to BVG 2020 for the Swiss pension plan (previous year BVG 2015). Life-expectancy assumptions are arrived at through a projection of future mortality improvements in accordance with the Continuous Mortality Investigation Model CMI (previous year Menthonnex Model). The computations are made with a future long-term mortality improvement rate of 1.25 percent. The following principal actuarial assumptions were applied:

	December 31, 2021	December 31, 2020
Discount rate	0.35%	0.10%
Interest rate used in projecting retirement benefits	1.00%	1.00%
Expected salary increases	1.50%	2.00%
Mortality tables	BVG 2020 GT-CMI	BVG 2015 GT
Long-term rate of mortality improvement	1.25%	-
Life expectancy as at age of 65 in years:		
Active employees (female/male)	25.04/23.41	26.58/24.55
Pensioners (female/male)	23.47/21.80	24.86/22.83

The following sensitivity analysis shows the impact of a reasonably possible change in the principal actuarial assumptions on the present value of the defined benefit obligations at the reporting date. Each change was analyzed separately. Interdependencies were not taken into account.

	December 31, 2021	December 31, 2020
Increase (+)/decrease (-) of the present value of defined benefit obligations		
Discount rate		
Increase by 25 basis points	-3.5%	-3.2%
Decrease by 25 basis points	3.8%	3.5%
Interest rate used in projecting retirement benefits		
Increase by 25 basis points	1.4%	0.4%
Decrease by 25 basis points	-1.3%	-0.4%
Expected salary increases		
Increase by 50 basis points	0.7%	0.9%
Decrease by 50 basis points	-0.7%	-0.9%
Life expectancy		
Increase by 1 year	2.3%	2.1%
Decrease by 1 year	-2.3%	-2.1%

20 Financial Risk Management

20.1 General

Due to the nature of its activities, Belimo is exposed to a number of financial risks: credit risk, market risk (foreign currency and interest rate risk) and liquidity risk.

Financial risk management is based on guidelines issued by the Board of Directors concerning the objectives, principles, tasks and responsibilities of financial management. The Board of Directors has assigned the Group Treasury to monitor financial risks. Group Treasury regularly reports to the Executive Committee and the Board of Directors on existing risks.

Risk management policies are established to identify and to analyze the risks to which the Group is exposed, to define appropriate limits, to establish controls and to monitor the risks and compliance with limits. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and in the Group's activities.

20.2 Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk of Belimo mainly arises from trade receivables, term deposits and cash and cash equivalents.

Belimo invests its cash and cash equivalents worldwide in deposit accounts held mainly with major, creditworthy financial institutions headquartered in Switzerland, Germany, and the United Kingdom. These deposits generally have terms of less than three months. Term deposits which have a maturity of more than three months from the date of acquisition are only held with major, creditworthy financial institu-

tions headquartered in Switzerland. Transactions involving derivative financial instruments are traded with a limited number of major financial institutions.

The credit risk from trade receivables is limited, since the Group's customer base is broad and spread over a variety of geographical areas. Credit risk is mainly influenced by the specific characteristics of each individual customer. The risk assessment includes an analysis of the creditworthiness, taking into account a variety of factors such as credit ratings or payment history. Credit limits are set according to regional aspects. Certain new customers are supplied only against payment in advance. The maximum default risk is the carrying amount of the individual assets as of the reporting date (see table in note 20.5 Categories of Financial Instruments). There are no guarantees or similar obligations that could lead to an increase in risk beyond the carrying amounts.

20.3 Liquidity Risk

Liquidity risk is the risk that Belimo will not be able to meet its financial obligations as they fall due. It is the aim of Belimo to have sufficient liquidity and unused credit lines available at all times so that it can meet its financial obligations when due, under both normal and stressed conditions. Liquidity is centrally managed and controlled by Group Treasury. The subsidiaries are adequately financed by intercompany loans to meet their ongoing commitments.

Belimo can draw down loans at fixed or floating rates for various terms, based on its short and medium-term liquidity needs. Belimo aims to preserve maximum flexibility in its liquidity planning through flexible use of the general credit lines and by staggering the maturity dates of the individual amounts.

Belimo has CHF 80.0 million of committed credit lines and CHF 20.0 million of uncommitted credit lines (not used as of December 31, 2021). In the previous year the total amount of available credit lines amounted to CHF 100.0 million (not used as of December 31, 2020).

At the reporting date, the contractual maturities of the undiscounted financial liabilities were as follows:

	Less than 1 year	1–5 years	More than 5 years	Total
in CHF 1 000				
As at December 31, 2021				
Trade payables	25 571	–	–	25 571
Lease liabilities	3 602	5 471	1 211	10 284
Other financial liabilities	–	1 227	–	1 227
Other liabilities qualifying as financial instruments	31 934	–	–	31 934
Derivative financial instruments	22	–	–	22
Total	61 130	6 698	1 211	69 039
As at December 31, 2020				
Trade payables	18 831	–	–	18 831
Lease liabilities	4 210	7 692	1 548	13 450
Other financial liabilities	443	823	389	1 656
Other liabilities qualifying as financial instruments	20 245	–	–	20 245
Derivative financial instruments	75	–	–	75
Total	43 804	8 515	1 937	54 257

20.4 Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will have an impact on the Group's income or the value of the financial instruments held by the Group. Monitoring and controlling these risks ensures that the exposure does not exceed a certain level.

Foreign Currency Risk

The Group's international operations are exposed to foreign currency risks. These risks arise from transactions that are denominated in currencies other than the functional currency of the respective Group companies (transaction risk) as well as from investments in foreign subsidiaries (translation risk).

In order to limit the transaction risk, Belimo primarily aims to achieve natural hedging by matching cash inflows and outflows in a specific currency as far as possible. Invoices between Group companies are mainly denominated in the currency of the company receiving the invoice. Foreign Group companies procure almost all their goods from the Swiss central production and distribution company BELIMO Automation AG and invoice their sales to third parties mainly in local currency. Foreign currency risks thus almost exclusively affect the Swiss company, which facilitates the management of these risks by using forward contracts.

The following table shows the main foreign exchange risk exposure for financial instruments whose currency differ from the functional currency of the Group company holding them.

	December 31, 2021			December 31, 2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
in CHF 1 000						
CAD	4 956	-1	4 955	5 125	-	5 125
CHF	776	-8 775	-7 998	2 386	-13 737	-11 351
EUR	26 002	-16 552	9 450	22 182	-8 090	14 092
GBP	1 790	-18	1 772	4 093	-11	4 081
PLN	3 597	-	3 597	3 927	-	3 927
USD	16 014	-9 302	6 712	11 868	-6 340	5 528
Other	12 540	-867	11 673	11 223	-923	10 300
Total	65 676	-35 515	30 160	60 803	-29 101	31 702

The currency-related sensitivity of these currencies is shown in the following table:

		December 31, 2021		December 31, 2020	
		Exchange		Exchange	
		gain	loss	gain	loss
in CHF 1 000					
CAD	+/- 5%	129	-129	36	-36
CHF	-/+ 5%	400	-400	568	-568
EUR	+/- 5%	473	-473	515	-515
GBP	+/- 5%	58	-58	144	-144
PLN	+/- 5%	68	-68	66	-66
USD	+/- 5%	-29	29	763	-763
Other	+/- 5%	476	-476	439	-439
Total		1 574	-1 574	2 530	-2 530

This analysis assumes that all other variables are held constant and takes into account hedging transactions. The same assumptions were applied in the previous year.

At the reporting date, the following foreign currency hedging instruments were held, whereas foreign currency forward contracts selling foreign currencies are disclosed as positive figures and contracts buying foreign currencies as negative figures:

	December 31, 2021	December 31, 2020
in CHF 1 000		
Face values		
in CAD	2 363	4 419
in EUR	–	3 790
in GBP	621	1 189
in PLN	2 257	2 643
in USD	7 414	–9 714
Other	2 163	1 476
Total	14 819	3 802
Fair values		
positive	169	78
negative	–22	–75
Total	147	3

Interest Rate Risk

The interest rate risk includes the risk that changes in interest rates have an impact on future cash flows (cash flow interest rate risk) and the risk that changes in interest rates affect the fair value of financial instruments (fair value interest rate risk). The interest-bearing financial assets and liabilities held by the Group mainly relate to cash, cash equivalents, term deposits and lease liabilities. Belimo therefore has no material exposure to a cash flow interest rate risk.

20.5 Categories of Financial Instruments

The following tables summarize all financial instruments classified by categories according to IFRS 9:

	Carrying amounts	
	December 31, 2021	December 31, 2020
in CHF 1 000		
Financial assets held to collect measured at amortized cost		
Cash and cash equivalents	109 408	164 942
Term deposits	60 000	–
Trade receivables	98 199	81 269
Other receivables	493	335
Financial assets	2 022	1 942
Total	270 121	248 489
Financial assets measured at fair value through OCI		
Investments ¹⁾	2 774	919
Total	2 774	919
Financial assets measured at fair value through profit or loss		
Derivative financial instruments ²⁾	169	78
Total	169	78
Financial liabilities measured at amortized cost		
Trade payables	25 571	18 831
Current financial liabilities	3 545	4 565
Non-current financial liabilities	7 223	9 375
Other liabilities and accrued expenses qualifying as financial instruments	31 934	20 245
Total	68 274	53 015
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments ²⁾	22	75
Total	22	75

¹⁾ Measured at fair values that are calculated based on factors that are not observable market data (level 3).

²⁾ Measured at fair values that are calculated based on observable market data (level 2).

For financial assets and financial liabilities not measured at fair value in the table above, the carrying amount is a reasonable approximation of fair value.

Fair values are allocated to one of the following three hierarchical levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than level 1 quoted prices that are directly or indirectly observable

Level 3: factors that are not based on observable market data

The fair value of derivatives financial instruments is determined on the basis of input factors observed directly or indirectly on the market (level 2). The fair value of these instruments is based on forward exchange rates, the positive fair values are included in other assets, the negative fair values in other liabilities. The changes in fair values recognized in the income statement are included in the financial result (see note 6 Financial Result). The derivatives financial instruments as at December 31, 2021, mature in 89 days or less (previous year 56 days).

The unquoted equity instrument is allocated to level 3 and relates to an immaterial investment in an innovative start-up in the HVAC sector. The Group designated the investment as investment at fair value through OCI because this equity instrument represents an investment that the Group intends to hold over a long term for strategic purposes. In the reporting period, Belimo participated in an additional financing round of the start-up resulting in a fair value change of CHF 0.9 million, which was recognized in other comprehensive income.

In 2021 and 2020, there were no transfers between the fair value hierarchical levels.

The Group did not perform any quantitative sensitivity analysis at December 31, 2021 for the financial instruments measured at fair value, as they are considered to be immaterial.

20.6 Capital Management

Belimo aims to maintain an equity ratio that is in line with its strategy and that will remain stable over time, in order to secure the confidence of investors, creditors and other market players and to strengthen the future development of its business activities. This entails refinancing that is adapted to the asset structure, and an equity-to-liability ratio that is adequate to the level of risk.

The Board of Directors monitors the shareholder structure and the return on equity. Belimo strives for a diversified and international shareholder base. A twenty-for-one share split was conducted in 2021. The return on equity was 23.1 percent as at December 31, 2021 (previous year 17.4 percent). The Board of Directors strives to achieve a continuous payout ratio, but it may diverge from this policy based on the economic outlook at any particular time or because of planned future investment activities. In order to further reduce its substantial cash reserves, the Board of Directors of BELIMO Holding AG will propose a dividend of CHF 8.50 at the Annual General Meeting 2022, which results in a payout ratio of 90.4 percent (previous year 106.4 percent). The definition of return on equity and payout ratio are described under the following link: www.belimo.com/financial-summary.

Belimo can buy or sell treasury shares on the market. Its current holdings of treasury shares are not earmarked for any specific purpose and can be sold on the market at any time.

21 Contingent Liabilities

As at December 31, 2021 and 2020, there were no contingent liabilities.

22 Related Parties

In 2021 and 2020, total booked compensation for the Board of Directors and Executive Committee was as follows:

	2021	2020
in CHF 1 000		
Salaries and other short-term employee benefits	4 874	3 989
Post-employment benefits	884	676
Expenses for share-based payments	341	217
Total	6 100	4 882

Further information regarding compensation and investments of the Board of Directors and Executive Committee is disclosed in the Remuneration Report.

Transactions between Belimo and the pension funds are detailed in Note 19.

In 2021 and 2020, there were no further material related party transactions.

23 Subsidiaries

BELIMO Holding AG held the following subsidiaries:

Company, place of incorporation	Country	Currency	Share Capital in 1 000		Activities	Group interest	
			December 31, 2021	December 31, 2020		December 31, 2021	December 31, 2020
Europe							
BELIMO Automation AG, Hinwil	CH	CHF	500	500	P, D, R&D	100%	100%
BELIMO InnoVision AG, Hinwil ¹⁾	CH	CHF	3 500	1 000	H	100%	100%
BELIMO Stellantriebe Vertriebs GmbH, Stuttgart	DE	EUR	205	205	D	100%	100%
BELIMO Automation Deutschland GmbH, Großröhrsdorf ¹⁾	DE	EUR	50	4 050	P, R&D	100%	100%
BELIMO Automation Handelsgesellschaft m.b.H., Vienna	AT	EUR	36	36	D	100%	100%
BELIMO Silowniki S.A., Warsaw	PL	PLN	500	500	D	100%	100%
BELIMO Servomotoren B.V., Vaassen	NL	EUR	18	18	D	100%	100%
BELIMO Belgium BV, Grimbergen ²⁾	BE	EUR	500	–	D	100%	–
BELIMO Automation UK Ltd., Shepperton	GB	GBP	0.1	0.1	D	100%	100%
BELIMO Automation Norge A/S, Oslo	NO	NOK	501	501	D	100%	100%
BELIMO Finland Oy, Helsinki	FI	EUR	100	100	D	100%	100%
BELIMO AB, Nacka	SE	SEK	1 000	1 000	D	100%	100%
BELIMO SARL, Courtry	FR	EUR	80	80	D	100%	100%
BELIMO Ibérica de Servomotores S.A., Madrid	ES	EUR	301	301	D	100%	100%
BELIMO Italia S.r.l., Grassobbio	IT	EUR	47	47	D	100%	100%
BEREVA S.r.l., Ora ^{1), 3)}	IT	EUR	1 330	500	D, R&D	89%	83%
BELIMO Automation FZE, Dubai ¹⁾	AE	USD	1 905	273	D	100%	100%
BELIMO Turkey Otomasyon A.Ş., Istanbul	TR	TRY	1 000	1 000	D	100%	100%
Americas							
BELIMO Aircontrols (USA), Inc., Danbury	US	USD	200	200	D, H	100%	100%
BELIMO Customization (USA), Inc., Danbury ⁴⁾	US	USD	45	45	P	100%	100%
BELIMO Technology (USA), Inc., Danbury ⁴⁾	US	USD	30	30	R&D	100%	100%
BELIMO Aircontrols (CAN), Inc., Mississauga	CA	CAD	95	95	D	100%	100%
BELIMO Sensors Inc., Dorval	CA	CAD	2 025	2 025	P, D, R&D	100%	100%
BELIMO Brasil – Comércio de Automação Ltda., São Paulo	BR	BRL	10 372	10 372	D	100%	100%
Asia Pacific							
BELIMO Actuators Ltd., Hong Kong	HK	HKD	10	10	D	100%	100%
BELIMO Actuators Pty. Ltd., Mulgrave, Melbourne ¹⁾	AU	AUD	1 210	10	D	100%	100%
BELIMO Automation (Shanghai) Co., Ltd., Shanghai	CN	CNY	20 320	20 320	P, D, R&D	100%	100%
BELIMO Actuators (India) Pvt Ltd., Mumbai	IN	INR	1 574	1 574	D	100%	100%
BELIMO Automation Malaysia SDN. BHD., Kuala Lumpur	MY	MYR	5 300	5 300	D	100%	100%

¹⁾ Change in share capital 2021

²⁾ Incorporated in 2021

³⁾ Investment held by BELIMO InnoVision AG

⁴⁾ Investment held by BELIMO Aircontrols (USA), Inc.

H = Holding company

P = Production

D = Distribution

R&D = Research and development

24 Events after the Reporting Date

On March 4, 2022, the Board of Directors of BELIMO Holding AG approved the present consolidated financial statements for release.

As of this date, no material events after the reporting date have occurred. The consolidated financial statements are subject to approval by the shareholders of BELIMO Holding AG in its Annual General Meeting, to be held on March 28, 2022.

Statutory Auditor's Report

To the General Meeting of BELIMO Holding AG, Hinwil

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BELIMO Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 84 to 125) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) 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, as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Key Audit Matters



Revenue Recognition

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



Revenue Recognition

Key Audit Matter

Revenue is the basis to evaluate the course of business of the Group and is thus a focus area of internal target setting and external third party expectations. These expectations create potential pressure on management to achieve the set targets, which leads to an increased risk in revenue recognition. The correct application of the accrual principle comprises significant risks in revenue recognition.

Our response

We have analysed the processes set up to ensure a correct application of the accrual principle. We have identified internal controls with regards to revenue recognition and have tested design and implementation of selected controls.

Furthermore, we have, amongst others, performed the following audit procedures:

- Reconciliation of revenue from financial accounting with invoice and incoming payment to verify that revenue exists and has been correctly entered applying a sampling method.
- Evaluation of the accrual principle as of 31 December 2021 by comparing invoices to delivery papers and evaluating incoterms.
- Assessing completeness and accuracy of recognition of revenue deductions by evaluating credit notes issued in 2022 on the one hand, and by applying retrospective procedures evaluating charge-backs actually paid out compared to prior year on the other hand.

For further information on revenue recognition refer to the following:

- Note 3 to the consolidated financial statements

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility 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 IFRS 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, ISAs 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.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Reto Kaufmann
Licensed Audit Expert

Zurich, 4 March 2022

Financial Statements of BELIMO Holding AG

Income Statement

	Note	2021	2020
in CHF 1 000			
Dividend income – Group companies		66 387	84 373
License fees – Group companies		7 828	9 553
Other financial income	2.1	4 821	3 655
Revenue		79 035	97 582
Personnel expenses		- 1 216	- 1 125
Other operating expenses		- 1 478	- 1 522
Financial expenses	2.1	- 458	- 5 512
Impairment loss		-	- 2 163
Direct taxes		- 1 178	- 1 029
Expenses		- 4 330	- 11 351
Net income		74 705	86 231

Balance Sheet

	Note	December 31, 2021	December 31, 2020
in CHF 1 000			
Cash and cash equivalents		1 289	72 769
Other current receivables – Group companies	2.2	1 620	16 203
Other current receivables – Third parties		5 029	112
Accrued income and prepaid expenses		41	15
Current assets		7 980	89 099
Financial assets – Group companies		209 413	145 260
Investments	2.3	79 107	69 071
Non-current assets		288 520	214 331
Assets		296 500	303 430
Other current liabilities – Group companies	2.2	10 973	–
Other current liabilities – Third parties		64	98
Deferred income and accrued expenses		456	405
Current liabilities		11 493	503
Liabilities		11 493	503
Share capital		615	615
Legal capital reserves		9 164	9 164
Legal retained earnings		580	580
Voluntary retained earnings		275 253	292 792
Treasury shares	2.4	– 606	– 224
Shareholders' equity		285 007	302 927
Liabilities and shareholders' equity		296 500	303 430

Notes to the Financial Statements

1 Accounting Policies

1.1 General Information

The financial statements of BELIMO Holding AG, Hinwil (Switzerland), have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations. While the consolidated financial statements provide information regarding the economic situation of the Group as a whole, the information contained in these financial statements refers solely to the parent company.

These financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. Due to rounding, amounts presented throughout this report may not add up precisely to the totals provided.

1.2 Non-current assets

Non-current assets include long-term loans and investments in group companies.

Loans denominated in foreign currencies are translated at the rate at the reporting date, whereby unrealized losses are fully recognized, and unrealized gains are only recorded to the extent of previous losses.

Investments in group companies are accounted for at acquisition cost less valuation allowances, as required.

1.3 Treasury Shares

At the acquisition date, treasury shares are recognized at acquisition cost and deducted from shareholders' equity. In case of a resale, the gain or loss is recognized in the income statement as financial income or financial expense.

1.4 Foregoing a Statement of Cash Flows and Additional Disclosures in the Notes

As BELIMO Holding AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to refrain from presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a statement of cash flows in accordance with the law.

2 Information on Items in the Income Statement and Balance Sheet

2.1 Other Financial Income and Financial Expenses

Other financial income and financial expenses contain intercompany and third party interest, foreign exchange gains and losses, bank charges and the result on treasury shares awarded for share-based payments.

In 2021, net foreign exchange gains of CHF 0.9 million were recognized as other financial income (previous year loss of CHF 4.9 million recognized as financial expenses).

2.2 Other current Receivables and Liabilities – Group Companies

As at December 31, 2021, BELIMO Holding AG had a payable towards BELIMO Automation AG of CHF 10.8 million (previous year receivable of CHF 14.7 million).

2.3 Investments

Information on the investments directly and indirectly controlled by BELIMO Holding AG, is given in the list of group companies on page 124 of the Annual Report. Ownership interests equal voting rights.

2.4 Treasury Shares

	2021		2020 ¹⁾	
	Number of shares	Value in CHF 1 000	Number of shares	Value in CHF 1 000
As at January 1	580	224	1 140	67
Purchase	9 520	5 178	9 400	3 673
Awarded for (group) share-based payments	-8 972	-4 796	-9 960	-3 516
As at December 31	1 128	606	580	224

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the table above.

Awards for group share-based payments are made on behalf of the respective group companies. These group companies cover all costs.

In the reporting year, the average transaction price of the treasury shares purchased was CHF 543.90, and the average transaction price of the treasury shares awarded for share-based payments CHF 535.00.

3 Other Information

3.1 Full-Time Equivalentents

BELIMO Holding AG does not have any employees.

3.2 Covenants, Contingent Liabilities and Collaterals for Third-Party Liabilities

The available committed (CHF 80.0 million) and uncommitted (CHF 20.0 million) credit lines were not used in 2021. The framework agreements, on which either BELIMO Holding AG or BELIMO Automation AG may draw, are not subject to financial covenants.

There were no contingent liabilities as at December 31, 2021 and 2020.

The company is part of the Belimo value-added tax group in Switzerland and is jointly and severally liable for its value-added tax liabilities to the tax authorities.

BELIMO Holding AG has no guarantee obligations in the current year (previous year CHF 0.4 million).

3.3 Participation Rights of the Members of the Board of Directors and the Executive Committee

The following table discloses the number of shares held by the members of the Board of Directors and the Executive Committee as well as their related parties:

	December 31, 2021	December 31, 2020 ¹⁾
Number of shares		
Board of Directors		
Prof. Adrian Altenburger	1 000	1 000
Patrick Burkhalter	71 300	71 300
Sandra Emme	400	400
Urban Linsi ²⁾	160 200	160 200
Stefan Ranstrand	–	–
Dr. Martin Zwyszig	500	500
Total	233 400	233 400
Executive Committee		
Dr. Elena Cortona ³⁾	158	–
Gary Economides	745	340
Lukas Eigenmann	4 119	3 860
James W. Furlong	1 677	1 520
Louis Scheidegger	1 115	960
Dr. Markus Schürch	483	240
Lars van der Haegen	2 429	1 780
Total	10 726	8 700

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the table above.

²⁾ Urban Linsi is a member of the registered shareholder group Linsi, which holds a total of 2'400'000 voting shares.

³⁾ Joined the Executive Committee in 2021.

No shares or options were granted to the members of the Board of Directors and none of the members held conversion or option rights.

In 2021, 2 026 shares (CHF 1.1 million) (previous year 1 900 shares, adjusted for share split 2021, CHF 0.7 million) were issued to the members of the Executive Committee based on the long-term incentive share plan (see remuneration report, pages 24 to 29).

3.4 Significant Shareholders

The following shareholders and shareholder groups owned more than five percent of the voting rights:

	December 31, 2021	December 31, 2020
Group Linsi ¹⁾	19.51%	19.51%

¹⁾ Group Linsi holds 19.53% of the shares of Belimo Holding AG, of which 19.51% are voting shares.

3.5 Events after the Reporting Date

On March 4, 2022, the Board of Directors of BELIMO Holding AG approved the present annual financial statements for release.

As of this date, no material events after the reporting date have occurred. The annual financial statements are subject to approval by the shareholders of BELIMO Holding AG in its Annual General Meeting to be held on March 28, 2022.

Appropriation of Available Earnings

	2021
in CHF 1 000	
Balance carried forward from previous year	200 549
Net income	74 705
Available earnings	275 253
Proposed appropriation of available earnings by the Board of Directors	
Dividend of CHF 8.50 per share ¹⁾	- 104 550
Balance carried forward	170 703

¹⁾ Shares held by BELIMO Holding AG at the time of dividend distribution are not entitled to dividends.

The Board of Directors proposes to the 2022 Annual General Meeting a dividend of CHF 8.50 per share.

The dividend is expected to be paid on April 1, 2022.



Statutory Auditor's Report

To the General Meeting of BELIMO Holding AG, Hinwil

Report on the Audit of the Financial Statements

Opinion

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

In our opinion the financial statements (pages 130 to 135) for the year ended 31 December 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.

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 judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Responsibility 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.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

KPMG AG



Reto Benz
Licensed Audit Expert



Reto Kaufmann
Licensed Audit Expert

Zurich, 4 March 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Information for Investors

Stock Market Information from 2017 to 2021

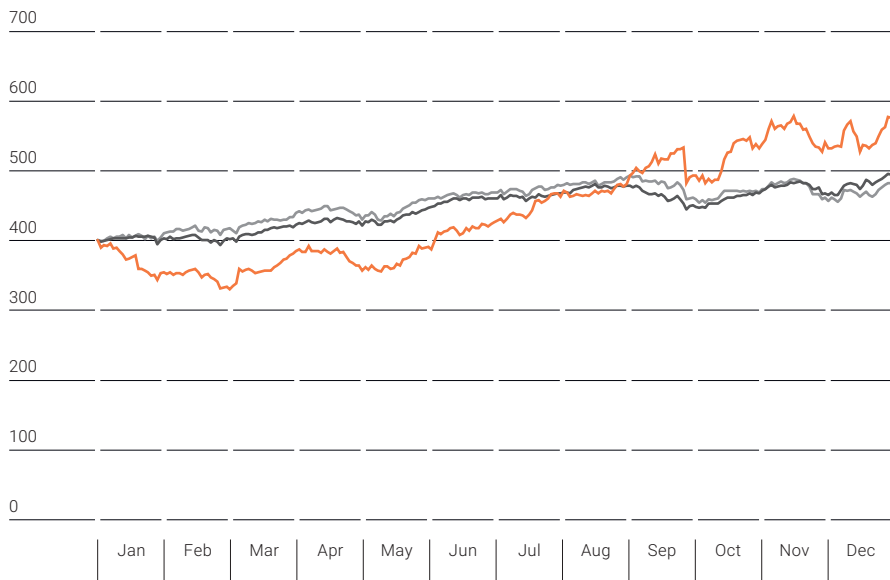
	2021	2020	2019	2018	2017
Share capital					
Number of registered shares as at December 31 ¹⁾	12 300 000	12 300 000	12 300 000	12 300 000	12 300 000
Average number of outstanding shares ¹⁾	12 298 556	12 298 480	12 298 860	12 296 680	12 293 820
Information per average outstanding share					
Earnings, in CHF ¹⁾	9.4	7.1	9.9	7.0	6.3
Cash flow from operating activities, in CHF ¹⁾	12.4	10.2	10.2	9.3	6.7
Earnings before interest, taxes (EBIT), in CHF ¹⁾	11.8	8.8	10.1	8.9	7.5
Equity attributable to shareholders of BELIMO Holding AG as at December 31, in CHF ¹⁾	41.6	39.8	41.3	35.6	33.6
Information per registered share					
Dividend, in CHF ¹⁾ (as proposed by the Board of Directors for next year)	8.50	7.50	7.50	5.00	4.25
Return on dividend as at December 31, in %	1.5%	2.0%	2.1%	2.5%	2.0%
Payout ratio, in % of net income attributable to shareholders of BELIMO Holding AG	90.4%	106.4%	76.1%	71.3%	67.5%
Price-earnings ratio as at December 31	61.6	54.5	37.0	28.1	33.9
Stock market prices in CHF					
High ¹⁾	580	405	365	250	219
Low ¹⁾	328	234	197	188	151
Year-end ¹⁾	580	384	365	197	213
Market capitalization in CHF million					
High	7 134	4 975	4 490	3 072	2 694
Low	4 028	2 875	2 417	2 306	1 858
Year-end	7 134	4 723	4 483	2 423	2 624
In % of equity attributable to shareholders of BELIMO Holding AG as at December 31	1 395%	965%	884%	554%	634%
Average daily trading volume					
In number of shares ¹⁾	12 728	20 934	18 700	8 480	6 620

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the table above.

Alternative performance measures that are not defined or specified in IFRS, are described under the following link:
www.belimo.com/financial-summary

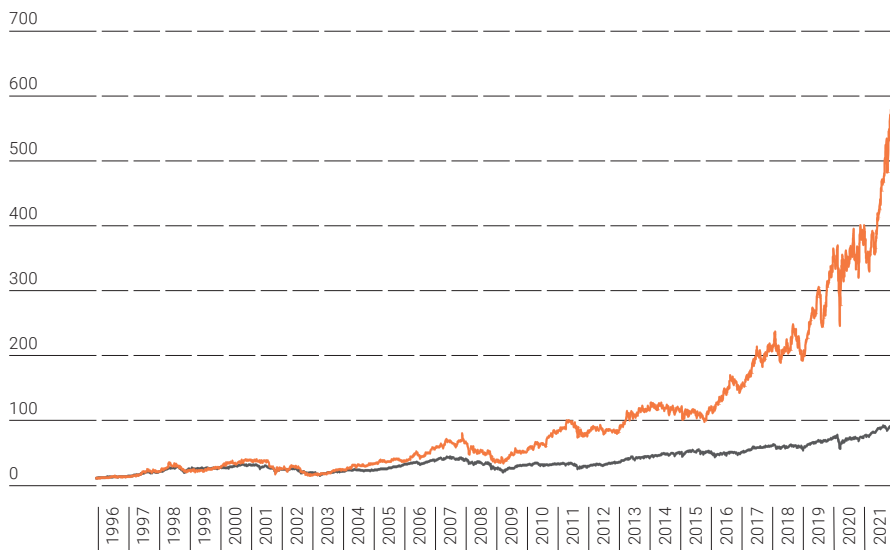
Performance between January 1 and December 31, 2021¹⁾

in CHF



Performance since IPO¹⁾

in CHF



- Belimo Registered Share (ISIN: CH1101098163)
- SMCI (Swiss Middle Cap Index), adjusted
- SPI (Swiss Performance Index), adjusted

¹⁾ A twenty-for-one share split was conducted in April 2021. In the interest of comparability, previous year figures have been adjusted in the graphs above.

Five-Year Financial Summary

Five-Year Summary of the Belimo Group

	2021	2020	2019	2018	2017
in CHF 1 000 (unless indicated otherwise)					
Income statement					
Net sales	765 343	661 226	692 680	642 368	579 853
Material expenses incl. changes in inventories in % of net sales	306 810 40.1%	266 594 40.3%	278 886 40.3%	266 127 41.4%	238 798 41.2%
Earnings before interest, taxes, depreciation, and amortization (EBITDA) in % of net sales	178 395 23.3%	139 337 21.1%	154 224 22.3%	134 999 21.0%	117 388 20.2%
Earnings before interest, taxes (EBIT) in % of net sales	145 363 19.0%	108 065 16.3%	123 869 17.9%	109 839 17.1%	92 621 16.0%
Personnel expenses in % of net sales	207 087 27.1%	192 020 29.0%	188 263 27.2%	171 195 26.7%	157 877 27.2%
Research and development in % of net sales	55 982 7.3%	53 772 8.1%	50 683 7.3%	47 248 7.4%	44 423 7.7%
Operating expenses in % of net sales	283 757 37.1%	256 372 38.8%	260 471 37.6%	242 499 37.8%	224 952 38.8%
Depreciation and amortization in % of net sales	33 032 4.3%	31 272 4.7%	30 355 4.4%	25 160 3.9%	24 767 4.3%
Net income in % of net sales	115 504 15.1%	86 641 13.1%	121 103 17.5%	86 209 13.4%	77 490 13.4%
Cash flow					
Cash flow from operating activities in % of net sales	153 049 20.0%	125 668 19.0%	125 400 18.1%	113 938 17.7%	82 318 14.2%
Free cash flow in % of net sales	45 544 6.0%	93 274 14.1%	83 852 12.1%	94 261 14.7%	54 857 9.5%
Cash effective investments in property, plant and equipment and intangible assets	46 725	28 964	40 652	20 491	24 919
Dividend distribution	92 243	92 241	61 494	52 256	46 092
Balance sheet					
Total assets	642 671	583 458	602 002	531 472	491 886
Cash and cash equivalents in % of total assets	109 408 17.0%	164 942 28.3%	172 563 28.7%	155 138 29.2%	113 178 23.0%
Current assets in % of total assets	408 265 63.5%	361 316 61.9%	374 897 62.3%	348 281 65.5%	302 503 61.5%
Net working capital in % of net sales	199 010 26.0%	167 899 25.4%	176 453 25.5%	166 667 25.9%	161 610 27.9%
Non-current assets in % of total assets	234 407 36.5%	222 142 38.1%	227 105 37.7%	183 191 34.5%	189 383 38.5%
Current liabilities in % of total assets	114 456 17.8%	78 364 13.4%	77 748 12.9%	71 089 13.4%	63 481 12.9%
Non-current liabilities in % of total assets	16 879 2.6%	15 831 2.7%	16 910 2.8%	23 140 4.4%	14 755 3.0%
Total equity in % of total assets	511 336 79.6%	489 263 83.9%	507 344 84.3%	437 243 82.3%	413 650 84.1%
Key figures					
Net sales year-on-year growth, in %	15.7%	-4.5%	7.8%	10.8%	8.7%
Net sales in local currencies year-on-year growth, in %	16.6%	0.0%	9.2%	9.6%	8.2%
Return on equity (ROE), in %	23.1%	17.4%	25.6%	20.3%	19.8%
Return on invested capital (ROIC), in %	26.0%	24.7%	27.8%	27.8%	23.4%
Quick ratio, in %	239.9%	320.6%	344.3%	347.6%	321.2%
Days sales outstanding (DSO)	52.9	53.1	54.9	55.8	56.3
Inventory period (DIO)	148	159	145	144	145
Equity-to-fixed-assets ratio, in %	225.3%	227.4%	230.8%	251.3%	226.2%
Number of employees (FTEs, yearly average)	1 857	1 824	1 712	1 591	1 483
Net sales per employee	412	363	405	404	391
Actuators shipped, in million items	7.8	6.9	7.2	6.7	6.3

Alternative performance measures that are not defined or specified in IFRS, are described under the following link: www.belimo.com/financial-summary

Publications and Agenda

Annual General Meeting 2022	March 28, 2022
Dividend Payment	April 1, 2022
Publication of Semiannual Report 2022	July 26, 2022
Capital Markets Day 2022	September 7, 2022
Publication of Sales 2022	January 19, 2023
Publication of Annual Report 2022 / Media and Financial Analysts Conference	March 6, 2023
Annual General Meeting 2023	March 27, 2023

Credits

Concept/Editing: BELIMO Holding AG, Hinwil (Switzerland)
Design/Realization: Greuter Stähli Grafik, Zurich (Switzerland)
Consultant on sustainability and GRI reporting: Sustainerv GmbH, Zurich (Switzerland) and Boston (Massachusetts, USA)

Photography:
André Gutzwiller, Wila (Switzerland)
BELIMO Holding AG and its subsidiaries, Hinwil (Switzerland)

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