

# 21

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# Business Report



# SKAN Fact Sheet<sup>1</sup> (in CHF)

Order intake  
+39.4%<sup>2</sup>

280.3 m

Net sales  
+22.2%<sup>2</sup>

234.3 m

EBITDA  
+86.1%<sup>2</sup>

30.7 m

EBITDA-  
Margin  
+4.5pp<sup>2/3</sup>

13.1%

Operating  
cash flow  
-54.4%<sup>2</sup>

+10.3 m

Cash  
106.1%<sup>2</sup>

131.5 m

Assets  
+27.9%<sup>2</sup>

331.9 m

Investments  
+192.5%<sup>2</sup>

42.6 m

Employees  
+132<sup>2</sup>

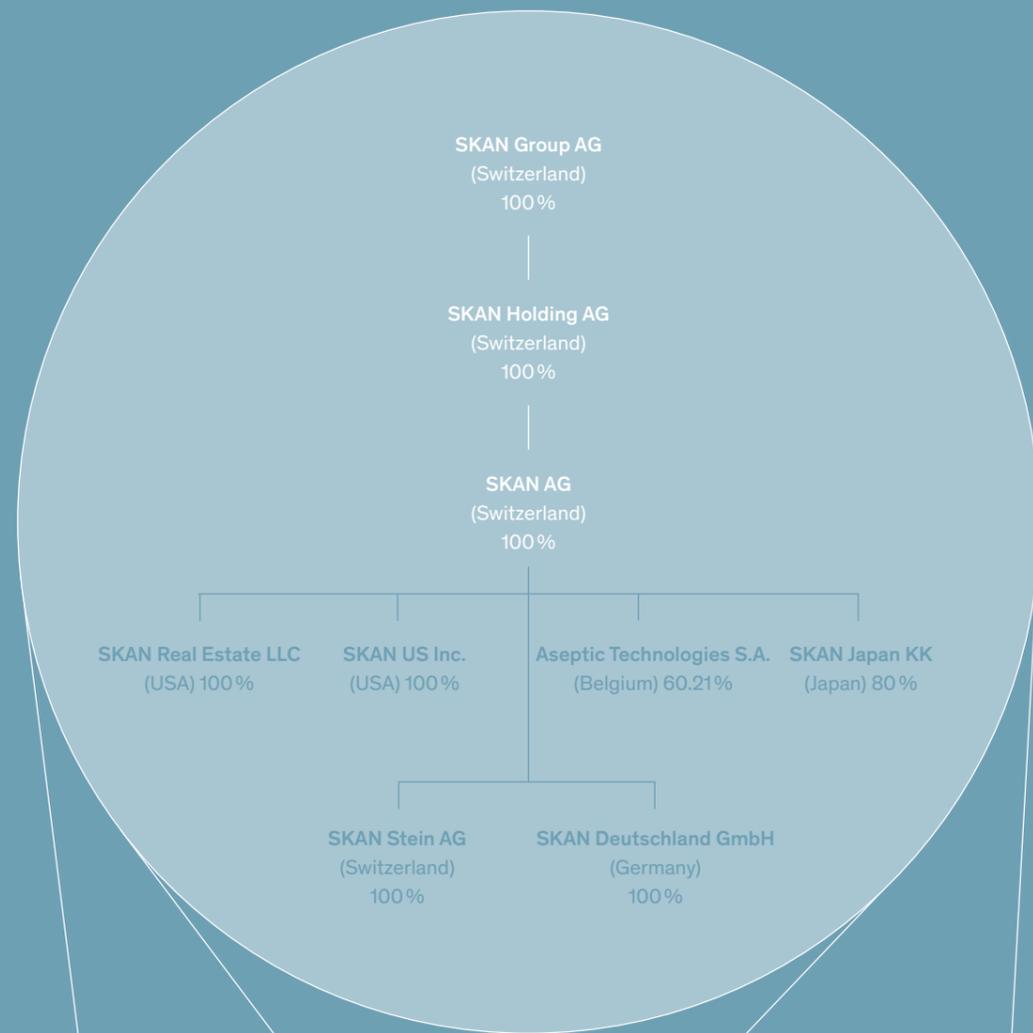
1'0007

<sup>1</sup>Figures as reported

<sup>2</sup>Change compared to previous year

<sup>3</sup>Percentage points

# Locations



# Key Figures

in thousand CHF	2021	in % of net sales	2020	in % of net sales	change in %
<b>Financial key figures</b>					
Order intake	280'318		201'100		39.4%
Order backlog	226'111		176'688		28.0%
Net sales from goods and services	234'265		191'689		22.2%
EBITDA	30'682	13.1%	16'484	8.6%	86.1%
EBIT	23'056	9.8%	10'699	5.6%	115.5%
Profit for the period	21'398	9.1%	11'587	6.0%	84.7%
<b>Other key figures</b>					
Net working capital (NWC)	-8'096		-27'064		nm <sup>1</sup>
Return on capital employed (ROCE)	15.8%		11.2%		nm <sup>1</sup>
Investments	42'607		14'565		192.5%
Equity	174'005		82'553		110.8%
Equity ratio	52.4%		31.8%		64.8%
Cash flow from operating activities	10'317		22'634		-54.4%
Cash flow from investing activities	-11'017		-15'952		-30.9%
Cash flow from financing activities	67'484		-8'149		nm <sup>1</sup>
Headcount as of 31 December	1'007		875		15.1%
<b>Adjusted key figures</b>					
Order intake	280'318		225'908		24.1%
Net sales from goods and services	235'326		207'280		13.5%
EBITDA	31'744	13.5%	33'404	16.1%	-5.0%
EBIT	24'117	10.2%	27'619	13.3%	-12.7%
Return on capital employed (ROCE)	16.5%		29.0%		nm <sup>1</sup>
<b>Segment key figures</b>					
<b>Equipment &amp; Solutions</b>					
Order intake	212'307		159'513		33.1%
Order backlog	204'464		165'006		23.9%
Net sales from goods and services	172'049		144'353		19.2%
EBITDA	16'113	9.4%	6'487	4.5%	148.4%
<b>Service &amp; Consumables</b>					
Order intake	68'011		41'587		63.5%
Order backlog	21'647		11'682		85.3%
Net sales from goods and services	58'040		47'336		22.6%
EBITDA	13'618	23.5%	10'988	23.2%	23.9%
<b>Others</b>					
Net sales from goods and services	4'176		-		nm <sup>1</sup>
EBITDA	952	22.8%	-991	nm <sup>1</sup>	nm <sup>1</sup>
<b>Stock key figures</b>					
Registered shares	22'483'524		10'471'530		114.7%
Earnings per share (in CHF)	0.84		0.43		94.0%
Dividend per share (in CHF)	0.24		nm <sup>1</sup>		nm <sup>1</sup>

<sup>1</sup>not meaningful

# Letter to shareholders

2021 was a year rich in highlights for the SKAN Group. With the successful IPO and the start of trading on SIX Swiss Exchange, a new era in the history of our company began. The SKAN share has met with broad interest among private and institutional investors. On the one hand, this is recognition for what has been achieved so far and, on the other, it is also an expression of high expectations for the potential and future development of the company.



Dr. Gert Thoenen, BoD Chairman and Thomas Huber, CEO

## Dear Shareholder

In 2021, we proved once again that SKAN is developing well. The company has continued its growth course and in October exceeded the threshold of 1'000 employees for the first time. At the end of 2021, the group employed a total of 1'007 people. Around 60 percent of these work at our new headquarters in Allschwil, that we moved into in July 2021. The new building offers an extremely attractive and modern working environment, but most importantly, it allows the rapidly growing number of employees, who were previously spread across several buildings, to be largely united under one roof again.

## Financial key figures at record level

2021 was also another record year for the SKAN Group. Net sales rose by 22 percent to CHF 234 million and earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 86 percent to CHF 31 million, corresponding to an EBITDA margin of 13 percent. With this result, the SKAN Group was able to achieve and even exceed the targets communicated during the IPO. Despite the fact, that SKAN, like many other companies was affected by the Covid-pandemic as well as had delays in the supply chain, SKAN performed very well. The profit for the financial year 2021 amounts to CHF 21 million. The Board of Directors proposes to the Annual General Meeting on 4 May 2022 the distribution of a dividend of CHF 0.24 per share.

## Market share further increased

Both segments of our business - Equipment & Solutions and Services & Consumables - grew significantly in 2021. As a technology leader and manufacturer of equipment for the sterile filling of medicines, SKAN recorded strong demand from customers in the (bio)pharmaceutical industry. An additional surge in demand was triggered by orders for equipment for the filling of Covid vaccines. Due to the long-term nature of our business, this Covid effect could however not yet be translated into sales. As such, the order backlog at year-end 2021 was at a new record level of CHF 226 million. It is very encouraging that SKAN was once again able to significantly increase the closing rate of offers, especially in the second half of 2021. This will only be reflected in the order intake in the current year and speaks for the fact that we were able to further increase the market share in our core market, the high-end segment of the isolator market.

The Covid-pandemic led to a shift in demand away from standard equipment towards customized high-speed filling lines for vaccines. Primarily in the first half of the year, this led to underutilization of capacity at our plant in Görlitz, Germany, which was made up for by the end of the year thanks to process changes. We also reacted to the delays in the supply chain by changing our manufacturing processes. Critical key components are now ordered earlier, ensuring their availability at the required time. This has enabled the SKAN Group to always ensure a high level of delivery readiness.

## Operational progress

Product milestones in 2021 were the launch of Cel-lana, an innovative isolator for cell and gene therapy processes. Furthermore, the skanfog® spectra isolator won the prestigious Red Dot Award for product design. We are proud of this award, as it shows that our efforts for continuous improvements are bearing fruit and that our products are now not only top class in terms of quality, but also in terms of design.

Our subsidiary Aseptic Technologies is also making good progress with its automated, robot-assisted process solutions for closed vials (Crystal Closed Vial Technology), which are also aimed at applications in cell and gene therapy. Last summer, another drug manufactured using our closed vial process went into commercial production. And with over 300 compounds in research and clinical trials, 17 of which are in the third and thus final phase of development before market approval, the pipeline continues to look promising. The commercialization of further drugs will increase the demand for our ready-to-fill closed vials and thus have a positive impact on our Services & Consumables segment.

In order to meet the increasing demand from our customers, the SKAN Group has continued to expand production capacity at a high speed. As planned, the doubled capacities in Stein went into operation in the first quarter of the current year. The doubled capacities at Görlitz will follow in the second quarter of 2022. In the USA, local expertise and responsibilities are being successfully built up so that the organization is closer to the customers on site and can handle a broader range of tasks, which not least reduces the amount of air travel.

The general restriction on air travel during the Covid-pandemic gave a boost to our digitization strategy. Instead of working on-site, we supported customers remotely using

augmented and virtual reality technologies. This enabled us to provide seamless customer support and safely get through the lockdown phases.

#### First Sustainability Report published

Within the framework of the present annual report, SKAN Group AG presents for the first time a sustainability report in accordance with the internationally recognized standard of the Global Reporting Initiative (GRI). Acting sustainably, minimizing the negative impact of our business activities on the environment, fulfilling our responsibility towards our employees and committing ourselves to society have always been important to the SKAN Group. With the sustainability report, we want to inform you as shareholder as well as other stakeholders in line with the principle of transparency about our corresponding objectives, measures and results.

#### Optimistic outlook

The SKAN Group expects growth of its relevant market to remain high in the coming years. The generally positive development of the (bio)pharmaceutical market is contributing to this growth. In addition, there are clear trends towards superior isolator technology. This is because injectable drugs are substituting other forms of administration as well as because isolators are substituting the classic clean rooms. Demand for SKAN's aseptic filling solutions, services and consumables is thus expected to continue to grow. The Group will rigorously pursue the implementation of its strategy in order to further exploit this market potential.

In light of this, we expect business to perform well again in 2022. The high order backlog ensures high capacity utilization well into the year. Although the bottlenecks in the supply chain are likely to persist, we are confident that the SKAN Group will also achieve its growth targets in the current year. In terms of net sales, we expect an increase in the mid to upper teens in 2022, with the Services & Consumables segment likely to grow more strongly than the Equipment & Solutions segment. The EBITDA margin is expected to be between 13 and 15 percent.

#### Sincere thanks

After this challenging, intensive and successful year, our thanks go above all to our employees. With their energy, knowledge and commitment, they have brought the SKAN Group to where we are today. On behalf of the Board of Directors and the Executive Board, we express our sincere thanks. We would also like to thank our customers for their trust and you, esteemed shareholder, for your support. As mentioned at the beginning, you have high expectations of the SKAN Group. We will do everything in our power to meet these expectations and to remain "Together always one step ahead".



Dr. Gert Thoenen  
Chairman of the BoD



Thomas Huber  
CEO



# SKAN at a glance

SKAN is a pioneer in the field of aseptic and aseptic-toxic manufacturing processes for the (bio)pharmaceutical industry. The company is the market and technology leader for high-quality, process-critical isolator systems for filling drugs according to strict sterility standards. In addition, the company offers its customers process support, services and consumables.

Innovative solutions and an efficient life-cycle support organization make SKAN an important partner for the pharmaceutical and biotech industry, CMOs (Contract Manufacturing Organizations) and research laboratories worldwide.

Founded in 1968, SKAN today employs over 1'000 people. More than half of them work at the Allschwil headquarters in the Life Sciences Hub of the Basel region. The other employees are located among the subsidiaries in Switzerland, Germany, Belgium, Japan and the USA.

# Milestones in 2021

## 01.

Rebranding



SKAN's new corporate identity was introduced during 2021 and is intended to reflect the expertise, diversity as well as the corporate culture. The new word mark replaced the previous logo and has been the prelude to the new corporate identity since the beginning of January.

## 03.

Expand production capacity at SKAN DE and SKAN Stein AG



We started expanding our German site in Görlitz by constructing an additional manufacturing building bringing the total size of this site to approximately 23,000 m<sup>2</sup>. Also in Stein we are not only increasing the production capacity but also building up the E-Beam competence center to be able to further develop this leading decontamination technology for high speed filling lines. The construction work will continue until the beginning of 2022.

## 04.

Design Award SPECTRA



SKAN has successfully participated in the Red Dot Award: Product Design 2021. For skanfog<sup>®</sup> spectra, the international jury awarded the "Red Dot" award, which stands for high design quality.

## 05.

Launch Cellana



Cellana is a highly innovative, cGMP-validated isolator designed for all specific cell and gene therapy processes. As an isolator for the development of advanced therapy medicinal products, the Cellana Isolator ensures aseptic working conditions with the highest level of sterility assurance.

# 06.

## New Headquarter SKAN AG



In 2021, we made a number of further substantial investments in increasing our production capacities to be able to support our growth. Investments relating to installations and finishing of our new headquarters in Allschwil, Switzerland are completed. The total amount of investments related to the new building amount to approximately CHF 18.0 million in 2021.

# 07.

## 2<sup>nd</sup> commercial product in closed vial



In summer 2021 a second drug manufactured using our closed vial technology went into commercial production. And with over 300 compounds in research and clinical trials, of which 17 are in the third and thus final phase of development before market approval, the pipeline continues to look promising.

# 10.

## IPO



On 28th October 2021, the shares of SKAN Group AG were traded for the first time on SIX Swiss Exchange. The opening price was CHF 75.00, which corresponds to a market capitalization of CHF 1'686 million. The issuing price was CHF 54.00.

# 12.

## Digital Transformation



During the Covid-pandemic, SKAN was able to quickly transform almost all "Factory Acceptance Tests" (FATs) into so-called "Remote FATs". These new state-of-the-art augmented reality tools allow customers to test and accept their ordered solutions or systems without being physically on site.

# Together always one step ahead

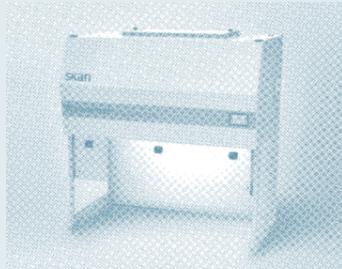
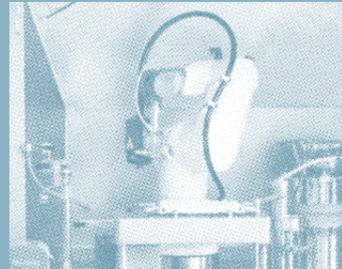
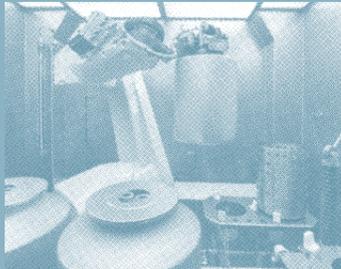
For more than 50 years we have been developing and manufacturing isolator systems for aseptic and aseptic-toxic production processes in (bio-)pharmaceutical production. We operate our business in two reporting segments: "Equipment and Solutions" (E&S) and "Services and Consumables" (S&C). Within Equipment and Solutions,

we offer our customers process solutions (standardized/modular and customized isolators), integrated process solutions (automated process solutions and closed-vial filling systems) as well as laboratory and cleanroom equipment. Within our Services and Consumables business, we provide global life cycle support and offer ready-to-use

consumables to our customers. Innovative products, customer-specific solutions and an efficient life cycle support organization have led SKAN to become a global market leader and important partner for the (bio-)pharmaceutical industry and research laboratories. Our headquarter is located in Allschwil (Switzerland).

<sup>1</sup> MES = Manufacturing Execution System.



	Pure Solutions	Process Solutions	Integrated Process Solutions		
Equipment and Solutions ("E&S")	<p><b>Pure Solutions Trading</b></p> <ul style="list-style-type: none"> <li>→ Laboratory / cleanroom equipment</li> <li>→ Horizontal/vertical workbenches</li> <li>→ Fume cupboards</li> <li>→ Particle counters</li> </ul> 	<p><b>Customized Solutions ("CusSol")</b></p> <ul style="list-style-type: none"> <li>→ Customer-specific isolator solutions for aseptic manufacturing and filling</li> <li>→ Process warranty incl. complete GMP compliance</li> </ul> 	<p><b>System Solutions ("SysSol")</b></p> <ul style="list-style-type: none"> <li>→ Modular isolators equipped flexibly with process tools</li> <li>→ Close collaboration with process tool partners</li> </ul> 	<p><b>Aseptic Technologies (AT)</b></p> <ul style="list-style-type: none"> <li>→ Proprietary, automated closed-vial filling equipment for small/medium-batch cell &amp; gene therapy integrated within isolator</li> </ul> 	<p><b>Process Automation</b></p> <ul style="list-style-type: none"> <li>→ Global process solution providing automated (robotic) process handling fully integrated within the isolator</li> </ul> 
Services and Consumables ("S&C")	<p><b>Consumables</b></p> <ul style="list-style-type: none"> <li>→ Personal protective equipment</li> <li>→ Biosanitizer</li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li>→ Qualification</li> </ul>	<p><b>Consumables</b></p> <ul style="list-style-type: none"> <li>→ Biological indicator</li> <li>→ Electron beam (bulbs)</li> <li>→ Spares (gloves, filters, etc.)</li> </ul>	<p><b>Services</b></p> <ul style="list-style-type: none"> <li>→ Life cycle support</li> <li>→ GMP requalification</li> <li>→ Performance studies</li> </ul>	<p><b>Consumables</b></p> <ul style="list-style-type: none"> <li>→ Closed vials</li> <li>→ Connectors</li> <li>→ Filling kits</li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li>→ Rent a machine</li> <li>→ Life cycle support</li> </ul>	<p><b>Consumables</b></p> <ul style="list-style-type: none"> <li>→ Refer to process consumables</li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li>→ Refer to process services</li> <li>→ Digital integration into MES<sup>1</sup> and ERP systems</li> </ul>

# Management Summary 2021

2021 was a successful financial year for the SKAN Group. The total order intake and net sales reached a new record. Earnings in both segments developed well. Customer visits and physical activities on site with our customers and partners have not been possible at the same level as before the pandemic. However, SKAN was able to further push ahead with digitization and thus create opportunities to exceed its ambitious targets. Furthermore, SKAN pushed ahead with the decentralization strategy in order to be better positioned and closer to the customers.

Beside the generally strong demand in aseptic production capacities, the Covid-pandemic increased the demand for high speed vaccine production lines where the SKAN solutions is the preferred and state of the art technology.

### Good revenue visibility due to high order backlog

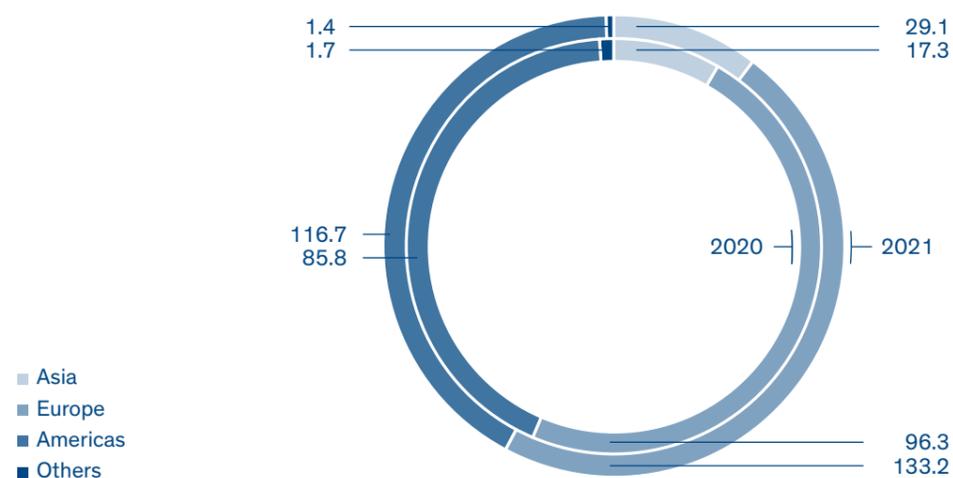
In 2021 SKAN was able to significantly increase the order backlog from CHF 176.7 million to CHF 226.1 million which results in a book-to-bill-ratio of 1.2 and gives a good visibility for the upcoming months. With an increase of the order backlog from CHF 165.0 million to CHF 204.5 million (+23.9%) the segment Equipment & Solutions was very suc-

cessful during 2021. This increase was mainly driven by the strong demand for high speed production lines. With an increase in the order backlog from CHF 11.7 million to CHF 21.7 million (+85.3%) our segment Service & Consumables grew even faster.

### Growth story continues

SKAN Group was again able to increase both order intake and net sales to a new record level. Compared to the previous year, order intake increased by CHF 79.2 million from CHF 201.1 million to CHF 280.3 million, which represents a growth rate of +39.4%. Included in the order intake are only orders for which the contract has been signed and financing has been clarified. Furthermore the order funnel remains strong on a high level. The trend of small and flexible systems has been confirmed, although in 2021 the demand for large-volume production capacity has accelerated, partly due to the Covid-pandemic situation.

## Order intake by region (in CHF million)



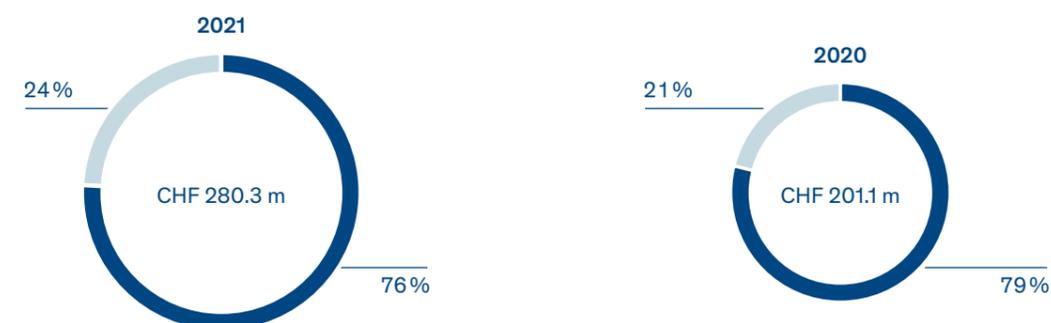
Similar to the previous year, the European and Americas markets developed well in 2021. With a volume of CHF 133.2 million and growth of 38.3% compared to the previous year, Europe is with 47.5% the biggest market of SKAN. The Americas market, which accounts for 41.6% of total order intake, also delivered a positive performance with a volume of CHF 116.7 million and a growth rate of 36.0%. Also the Asian market grew at 10.4% and contributed to the overall growth with 68.2% compared to previous year.

As a technology leader and manufacturer of equipment for the sterile filling of pharmaceuticals, SKAN recorded

brisk demand from customers in the (bio)pharmaceutical industry in the Equipment & Solutions segment and increased its order intake by 33.1% to CHF 212.3 million.

The Services & Consumables segment increased its order intake by 63.5% to CHF 68.0 million in the reporting year. The business was driven by life cycle support, spare parts as well as retrofit business based on the growing installed base of SKAN equipment. Additional impulses were provided by a second drug manufactured with the closed-vial technology of Aseptic Technologies, which went into commercial production as of summer 2021.

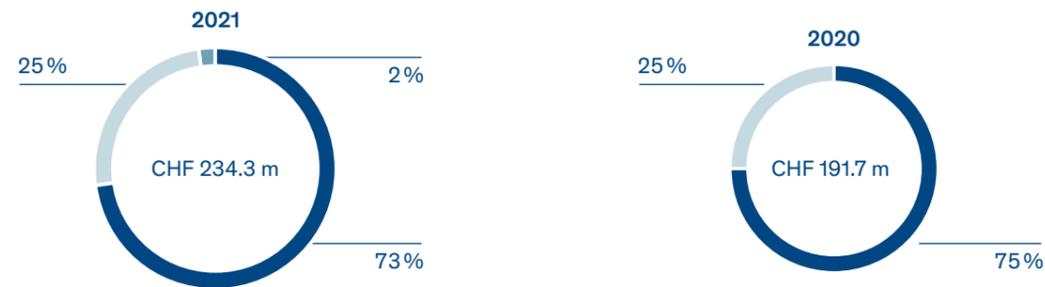
## Order intake by segments



For both segments the order intake significantly increased in 2021. Overall the share of the segment Service & Consumables increased in 2021 compared to previous year.

Net sales increased by CHF 42.6 million from CHF 191.7 million in 2020 to CHF 234.3 million in 2021. This results in a growth rate of +22.2%. With an increase of 19.2% in net sales from CHF 144.4 million to CHF 172.0 million the segment Equipment & Solutions was very successful in 2021. The sales growth in E&S is driven by the progress of various major projects but also by the delivery and completion of numerous standardized systems. Service & Consumables grew by 22.6% from CHF 47.3 million to CHF 58.0 million. Significant drivers in this segment are the commercialization of the 2nd product in our closed vial technology, the life cycle support with parts and also the retrofit business for isolators.

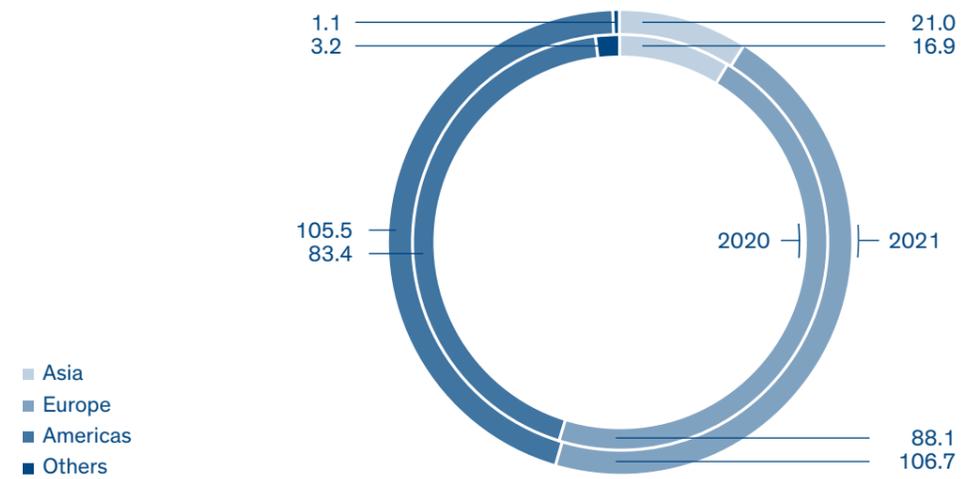
### Net sales by segments



■ Service & Consumables ■ Equipment & Solutions ■ Others

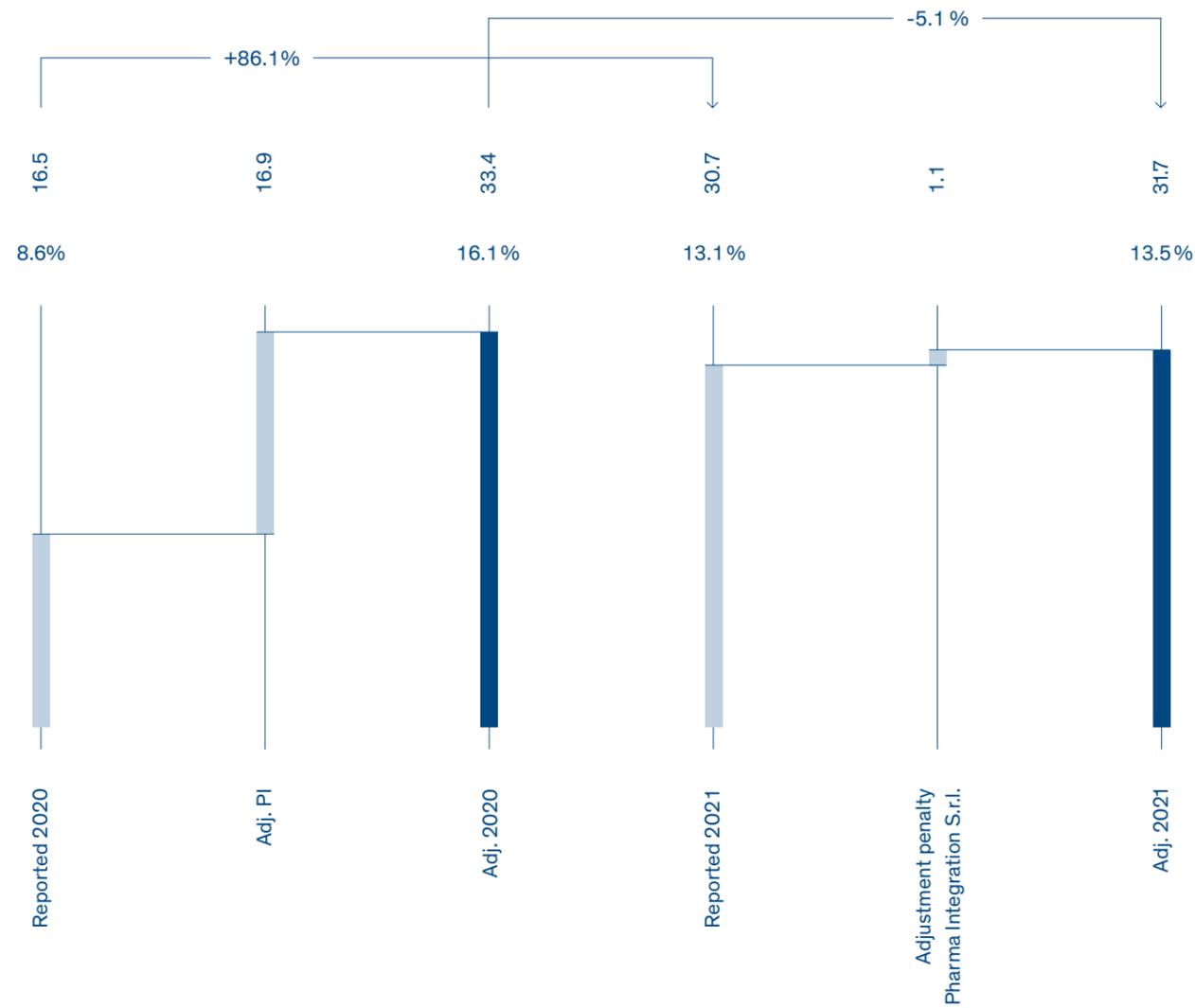
Compared to previous year the net sales increased in both segments by about 22.2%. The split between the segments remains at the same level as in the previous year even though the order intake of S&C grew at a higher rate compared to E&S.

### Net sales by region (in CHF million)



In a regional perspective, the European market recorded robust growth of 21.1% to CHF 106.7 million compared to the previous year (CHF 88.1 million). In the segment Americas, sales grew even faster with 26.5% from CHF 83.4 million to CHF 105.5 million. This relatively stronger growth was driven, by individual projects from South America, which were delivered in 2021. Sales in Asia also increased by 24.3% to CHF 21.0 million, which can be attributed to individual customers many of which export their products to the Western markets. Nevertheless, the share of the Asian market in total sales remains relatively stable at 9.0% compared to the previous year. In Europe and Americas, we generate 45.5% respectively 45.0% of the total sales, which is on the same level as in previous year.

## EBITDA



The main reason for the margin decline is the ramp-up of personnel in 2021 (129) and 2022 (132), who were on average employed in the middle of the year. Besides lag-time in productivity (training, onboarding) also full cost allocation of these previous year hires impacted the margins. In addition the other operating expenses increased due to higher trav-

el expenses, rental costs (overlapping rental cost, marketing costs (rebranding) and also administrative and ICT costs related to the increased resources.



## Investments

In order to meet the increasing demand from customers, the SKAN Group has continued to expand production capacity at a high cadence. As planned, the doubled capacities in Stein went into operation in the first quarter of the current year. The doubled capacities at Görlitz will follow in the second quarter of 2022. In the USA, local competencies are being

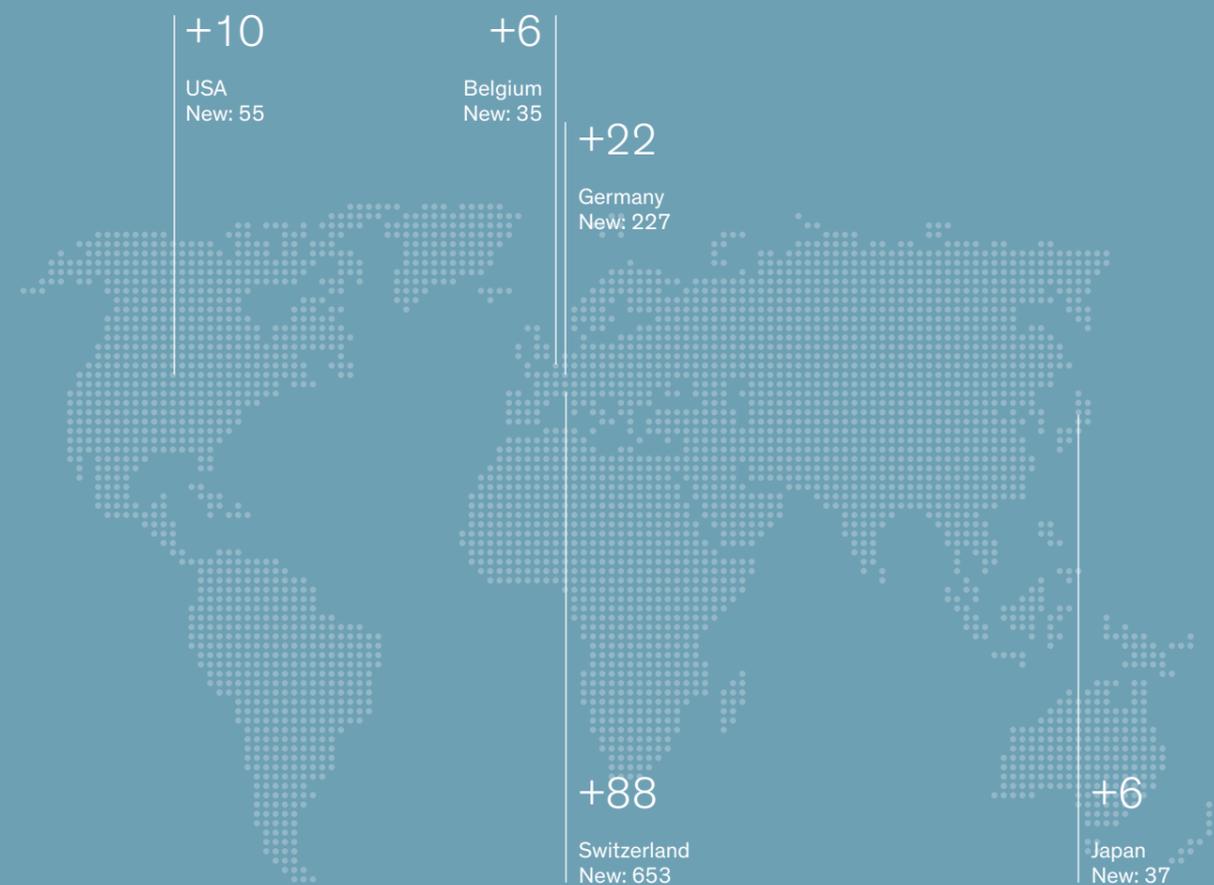
successfully built up so that the organization is closer to the customers on site and can handle a broader range of tasks, which will reduce the number of air travels.

In total, SKAN invested CHF 42.6 million in the reporting period, compared to CHF 14.6 million in the previous year.

In 2021, SKAN grew by 132 employees to 1'007 employees globally. In addition, around 68 temporary employees are engaged at SKAN. Thus, at the end of 2021, approximately 1'075 employees worked for SKAN. The 132 employees were built up at the various locations during the financial year. The major part of the ramp-up took place in Switzerland

(+88 employees). Personnel costs have also developed accordingly and amount to CHF 107.7 million. Compared to the previous year, personnel costs have increased by CHF 16.0 million from CHF 91.8 million.

## Headcount SKAN Group



The SKAN Group has defined a clear strategy to sustainably continue its growth path and to further increase profitability. It is aimed at consolidating market leadership, expanding the addressable market, expanding the service business and digital transformation.

SKAN has set itself medium-term targets of revenue growth in the mid-teens and an EBITDA margin in the upper tens.

In order to achieve these objectives, the Group has defined a growth strategy based on four pillars:

### Strengthen market leadership

To strengthen its market leadership, the SKAN Group will continue to invest in its manufacturing capacities and in innovations. Capacity expansion projects are currently being realized in Görlitz (Germany), Stein (Switzerland) and Gembloux (Belgium). Continuous innovation is a prerequisite for SKAN to meet future customer requirements and maintain its technological leadership. For example, the company has developed a solution for cell and gene therapy processes. In addition, SKAN actively contributes to new guidelines and regulations by participating in relevant industry standard setting bodies. Finally, SKAN Group strengthens its market leadership not least by expanding the service business by leveraging its large and growing installed base.

### Expand the addressable market towards graded process systems

In order to offer customers comprehensive solutions for their needs, SKAN is driving the expansion of its product and service offering towards integrated process solutions. This involves the expansion of the business with systems for filling in closed containers (Crystal® Closed Vial Technology of the subsidiary "Aseptic Technologies"). In parallel, SKAN is developing integrated process systems together with specialized partner companies to combine conventional and also robot-assisted filling systems with its own isolator technology and to offer customers a "one-stop store" solution for the aseptic filling of their pharmaceuticals.

### Expand Service and consumables business

New services include standardized solutions that enable customers to benefit from shorter design, engineering, assembly and qualification times. This can shorten the time to market for a new active ingredient by several months. Other new services include "pay-per-use" models, where

customers can use standardized isolator products flexibly against payment. The business with consumables such as "ready-to-fill" vials, biological indicators or aseptic connection systems has experienced significant growth over the last three years – a momentum that SKAN intends to build on.

### Accelerate digital transformation

SKAN aims to drive digital transformation in the industry and offer a wide range of digital services to its customers. In particular, the Group aims to increase the use of augmented and virtual reality services such as remote acceptance testing, remote training and support and virtual reality design support. This will enable SKAN to provide more efficient and flexible support to customers, while reducing its environmental footprint by reducing the need for travel. In addition, SKAN is implementing a number of Industry 4.0 initiatives such as the use of artificial intelligence for predictive maintenance.

# Risk Management

SKAN operates a risk management system that has been approved by the Board of Directors. The risk policy defines the handling of risks and a structured process that prescribes the systematic monitoring of business risks. In it, risks are identified, analyzed and evaluated with regard to probability of occurrence, extent of damage and impact on reputation. If necessary, risk mitigation and control measures are determined. The Board of Directors is periodically informed about significant changes in the risk assessment and the risk management activities carried out.

## Exchange rate risks

SKAN operates internationally and is exposed to the exchange rate fluctuation risk of various currencies. The risks relate primarily to the EURO, the US dollar and the Japanese yen; other currencies have less influence. The exchange rate risks arise from sales in foreign currencies and similar transactions, as well as fixed assets, borrowings and investments in foreign currencies. To counteract the possible consequences of all these exchange rate risks, SKAN uses forward exchange contracts when necessary and practicable. Currency risks also arise when transactions of a business unit do not take place in the local functional currency, but in another currency. Currency risks in connection with currency translation differences at subsidiaries are not hedged.

## Interest rate risks

SKAN is exposed to interest rate risks on cash and cash equivalents and on financial liabilities. As a rule, the financial liabilities are subject to variable interest rates.

## Market and customer risks

The risk of weak demand from the main customers in the pharmaceutical industry is considered to be low due to market monitoring and the constant optimization of the sales organization. Furthermore, forward planning on the basis of rolling forecasts makes it possible to counter short-term declines and increases in demand in a cost-neutral manner by planning vacation and time accounts, particularly in the production area, or to take timely action to cut costs.

## Purchasing and material cost risks

In procurement, the focus is on optimizing purchase prices and ensuring supply reliability and quality through good supplier selection. In the area of steel construction, capacity is primarily distributed within the Group in order to utilize the most optimal and cost-effective options.

## Assessment of the overall risk situation

Due to the long-term customer relationships and the strong position in the core areas, we operate within a favourable environment with limited risks.





# About this report

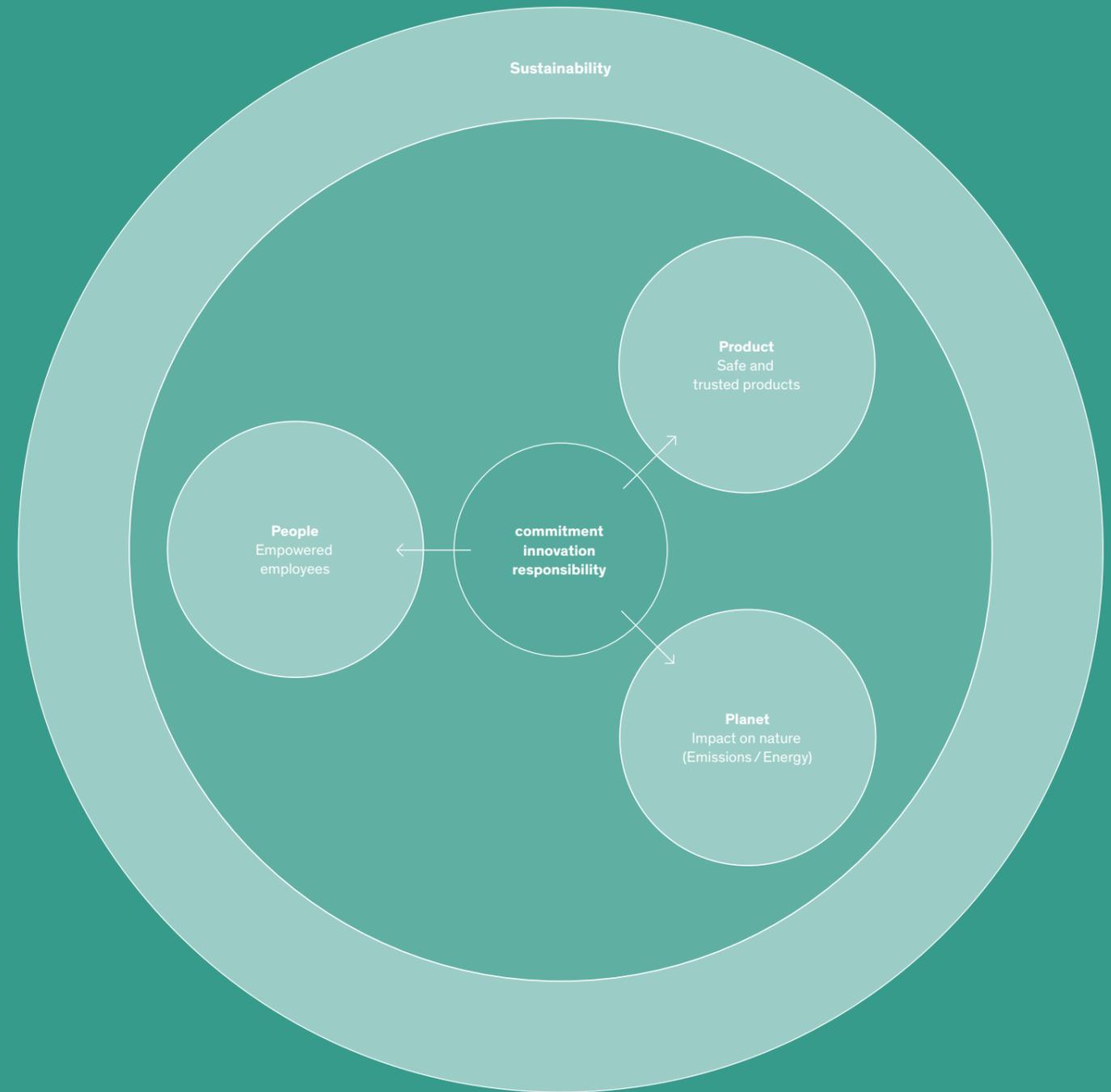
The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.<sup>102-54</sup> The reporting period covers the 2021 reporting year, i.e. from 1 January to 31 December 2021.<sup>102-50</sup> We publish our sustainability report annually;<sup>102-52</sup> the most recent report was published on 5 April 2022.<sup>102-51</sup> It is our first report.

The sustainability report includes the entities under financial control (fully consolidated). If disclosures relate only to individual parts of the organisation, this is indicated.<sup>102-45</sup> The relevant topic boundaries are explained in the sections on the material topics.

We would like to present the success of our sustainability, objectively and quantifiably. This report has not been reviewed by a third-party.

This is the first year SKAN Group is publishing a sustainability report. As of December 2021, we focused on the disclosure of the actual situation and did not set any targets for the long term development of our sustainability KPI's.

# How we achieve sustainability



# 1 Our company — Who we are

## 1 Overview

SKAN Group is a global market leader in the development and manufacturing of isolator systems for aseptic and aseptic-toxic production processes in the (bio-)pharmaceutical production.

Our operations are present in the locations as presented on the right.<sup>102-4</sup>

We deliver our products in over 35 countries worldwide, with Western Europe and North America as our core markets. In addition to these core markets we also have significant sales activity in the Asia region, in particular in Japan. We primarily serve customers in the pharmaceutical industry, including leading global (bio-)pharmaceutical companies.<sup>102-6</sup>

Procurement is a crucial part of our business, and we seek to engage reliable and innovative suppliers with a demonstrated commitment to quality. We have long-term relationships with certain suppliers, in some cases for more than 25 years. With the exception of stainless steel sheet constructions and the turned milled parts, we buy most other components from third-party suppliers. We choose our key suppliers based on a variety of factors, including technical quality, cost and conduct in partnership. As a rule, our suppliers must accept our Supplier Code of Conduct and generally have ISO 9001 certification. Key suppliers are subject to our supplier portfolio management including regular supplier reviews, product inspections and site audits.<sup>102-9</sup>



# Our core values

We apply the precautionary principle in our decision making when it comes to safety and trust in our products. <sup>102-11</sup> In everything we do, we apply our core values and principles: <sup>102-16</sup>

- **Team-oriented**  
Together we achieve more than alone
- **Individual responsibility**  
Taking decisions and responsibility bring us forward
- **Hands-on**  
If we have an idea or see need for support, we go for it and get it done. No matter what function we have
- **Solution-oriented**  
We always strive forward to find solutions. We do not focus on problems and mistakes
- **Flat hierarchy**  
To ensure fast decision-taking processes, communication and to foster individual responsibility, we prefer flat hierarchies
- **Independence**  
We love our independent status that allows us to work with a long-term perspective
- **Ambitious**  
As a market and technology leader, SKAN always wants the best solution for our customers
- **Friendly working atmosphere**  
Mutual respect, a friendly tone, an open, supportive working atmosphere and a strong willingness to help with an open ear at all times
- **Attractive employment conditions**  
At SKAN, we demand a lot. But we also support our employees in many ways
- **Development**  
We have learned to train, promote and develop young talents and offer them new perspectives
- **Agility**  
If we manage to adapt to the new needs very quickly through our agility, we can always develop as a company - no matter where
- **Diversity**  
Not for the quota, not for the statistics. But because it is enriching for us wherever we can decide on it. We have respect for all people. At all times.



**Information on employees and other workers**<sup>102-8</sup>

Employee Type	2021			2020		
	Switzerland	Germany	Others	Switzerland	Germany	Others
Permanent	653	227	127	565	205	105
Temporary	52	13	3	29	14	2

Employee Type	2021		2020		2021	Total 2020
	Female	Male	Female	Male		
Permanent	17.3%	82.7%	17.3%	82.7%	1'007	875
Temporary	10.3%	89.7%	8.9%	91.1%	68	45
Full-time	13.5%	86.5%	13.2%	86.8%	953	808
Part-time	42.6%	57.4%	42.9%	57.1%	122	112

**2 Our strategic priorities and achievements 2021**

Population growth and changing demographics are some of the main drivers of the societal need for our products and our contribution to the health of people. There will be 8.55 billion people by 2030, and almost 10 billion by 2050. The average age will further increase. This in turn will pronounce the trend for increased health coverage and the products that are enabled by our product portfolio.

Our strategic priorities are to deliver safe and trusted products, empower our people to innovate and enable high quality and reduce our environmental footprint by being closer at our clients.

Our focus on safe and trusted products is defined by our commitment to the highest quality standards, meeting the latest regulatory expectations and continuous innovation to support the development and manufacturing of new and life-saving medication. We measure success by the incidents of non-compliance with laws and regulations as well as our expenses for R&D. With our efforts, we contribute to the sustainable development goal “good health and well-being” (SDG 3).

Our people are at the heart of our business model. They enable innovation and are the fundament of quality and the safety of our products. We measure success by the amount of training hours our employees have undertaken, employee turnover and the diversity of our governance bodies and employees. It is our claim to create fair and attractive working conditions and hence contribute to the global targets to promote decent work and economic growth (SDG 8).

As a company, we have a responsibility towards future generations, too. Therefore, we aim to reduce our environmental footprint, with regards to greenhouse gas emissions, which are a crucial part in the fight against climate change (SDG 13). This goal is also reflected in our strategy of decen-

tralization. By expanding the capacity of our sites worldwide, as well as increasing our augmented reality service support, we will reduce our long distance travel activities. The SKAN Group Board is responsible for the ESG strategy.<sup>102-18</sup>

**3 Our interaction with Stakeholders and our Materiality Assessment**

To us at SKAN it is very important to engage with our stakeholders, most importantly with our customers, employees and shareholders to ensure we meet expectations and optimize our impacts. We are convinced that having good relations with our stakeholders and understanding their interests and concerns are key to our future success.

At SKAN, we have an experienced Board of Directors that has strong ties to our shareholders base which enable us to develop our business independently and with a long-term view. On a regular basis we interact with our shareholder through events and meetings as part of our Investor Relations program, which ensures we have a good understanding of our shareholder’s expectations and interests.

We aim to keep regular interactions between our employees at all levels. Our Board of Directors meets with the management team on a regular basis (at least six formal meetings a year). We schedule events, trainings and annual performance reviews to keep relevant discussions going with our employees. Furthermore, we have regular employee surveys in place to enable our employees to tell us what they expect from an enabling working environment.

For us, it is also paramount to remain in close dialogue with our customers, as our future success will continue to depend upon, among other factors, our ability to maintain our relationship with existing significant customers and our ability to expand into new markets and acquire new customers. We engage with our customers through various channels

such as personal contacts or surveys. To further develop our customers solutions, we are also aiming to expand the addressable markets through existing and future joint development with our customers and technology partners. With these joint developments, we can deliver integrated solutions for our customers as a “one-stop-shop” approach.

We at SKAN also engage in dialogue with policy-makers and other external stakeholders to make contributions

to relevant regulations within our industry. We participate in regulatory and industry standard setting bodies to contribute to new guidelines and regulations within the industry.

The stakeholders listed in the table below have been identified by the Executive Management as important stakeholders as they exert a strong influence on the economic, environmental or social performance of the SKAN Group and vice versa.<sup>102-42</sup>

**3.1 Our key stakeholders are:**<sup>102-40, 102-43, 102-44</sup>

Key Stakeholders	Engagement Approach	Interests & Concerns (topics)
Employees	Introduction weeks for new employees, half-year and year-end information events, leadership training, annual performance reviews, employee surveys, interactive working environment, social media	Company strategy, education and perspectives, equal opportunities, remuneration, occupational health and safety
Investors/Shareholders	Annual General Meeting, Annual and Half-year Report, investor/analyst meetings, social media	Economic outlook, financial figures, strategy, R&D pipeline
Customers	Personal contact through SKAN sales managers, customer events, trade fairs, technical support, customer surveys, social media	Quality of products and solutions, conformity with regulations, delivery time, price of product
Regulators	Membership in working groups for guidelines and regulations, regular exchange with authorities.	Technical expertise, compliance with regulations and guidelines
NGOs / Public	Regular exchange with NGOs, authorities and municipalities	Consultation on developments of production sites, tax strategy, etc
Suppliers	Assessments, audits, communication of SKAN supplier code of conduct	Procurement strategy, order volume, price negotiations



Furthermore, SKAN Group is active in topic-specific initiatives and associations. The main memberships include the following organizations. <sup>102-13</sup>

- International Society for Pharmaceutical Engineering (ISPE)
  - Member of Containment Group publishing Containment Manual
  - Member ISPE DACH Special Interest Group on Robotics
- Working groups of the European Union
  - Member in the commenting team for upcoming new EU Pharma Guideline GMP Annex 1
  - Member in working group EN TC 332 (Laboratory Equipment)
  - Support of European standards group EN 12469 (Microbiological Safety Benches and Lab Isolators)
- ISO
  - Member of Standards Working Group ISO TC 142 (Sterilisation of healthcare products and aseptic processing, ISO 13408)
  - Member in Swiss mirror group for ISO TC 209 (Standards for Cleanrooms and Isolators)

### 3.2 Our Materiality Assessment & Matrix <sup>102-46</sup>

In 2021 we conducted a materiality assessment to help determine our material topics. We have covered the requirements of the GRI Standards by evaluating the individual topics based on two dimensions: our business activities and their economic, social, and environmental impacts on the topics (SKAN's important impacts) and the topics' importance to stakeholders.

During the process of identifying material topics we gathered information on several environmental, social, and economic issues which are or may turn out to be relevant to our business and our stakeholders. Here, various internal stakeholders, including our CEO, CFO, COHR and others were interviewed on matters relating to sustainability to evaluate our own impacts. Further, we used above described engagement approaches to understand our stakeholders' views and expectations on sustainability-related topics and how they rank these topics in terms of importance. To us, it was vital to consider the input of these stakeholders in our materiality assessment, as they engage strongly with both our internal and external stakeholders who have an impact on SKAN's future success and/or are affected by our performance.

Having identified potential material topics, the strategic importance of each material topic was reviewed. In this step of the assessment we reflected on SKAN's economic, environmental, and social impact on the material topics. The results of the review are plotted in the materiality matrix on the next pages. The x-axis represents SKAN's economic, environmental, and social impact and the y-axis represents the importance to stakeholders. Our selection of material topics is found among the topics ranked high (right corner) both in terms importance to our business and stakeholders.

# Materiality Assessment Matrix



## 2 How we create value — safe and trusted products

This is the first year that SKAN applied the GRI Standard for sustainability reporting. Hence, no significant change from previous reporting periods in the list of material topics and topic boundaries exists. <sup>102-49</sup>

The boundaries for each of the following material topics are as follows:

Material Topics	GRI Indicators - Topic-specific disclosures	Location in Value Chain		
		Upstream	Operations	Downstream
Economic Performance	201-1: Direct Economic Value Generated And Distributed	●	●	●
Product Quality & Safety (Safety & Trust)	416-2: Customer Health And Safety - Incidents of Non-Compliance 419-1: Non-Compliance with Laws And Regulations in the Social And Economic Area	●	●	●
Employee Empowerment, Development & Satisfaction	401-1: New Employee Hires und Employee Turnover 404-1/2/3: Training And Education		●	
Diversity & Equal Opportunity	405-1: Diversity of Governance Bodies & Employees		●	
Innovation Management	R&D spend	●	●	●
Greenhouse Gas Management	305-1: Direct (Scope 1) GHG Emissions 305-2: Energy indirect (Scope 2) GHG Emissions	●	●	●

We performed a materiality analysis in 2021 in which we surveyed both internal and external stakeholders on matters relating to sustainability for the first time.

The following material topics were identified: <sup>102-47</sup>

- Economic Performance
- Product Quality & Safety (Safety & Trust)/ Legal & Regulatory Compliance
- Employee Empowerment, Development & Engagement
- Diversity & Equal Opportunity
- Innovation Management
- Greenhouse Gas Management



We observe a sustained growth in Biopharma business driven by the underlying megatrends of intensified and diversified medical care of an aging population in the developed world. This megatrend is flanked by the increasing expectation of the population of emerging countries to assume the same level of medical security and available performance of the medical system as in the leading countries.



The vision of SKAN is to provide, demand and to be the embodiment of SAFETY and TRUST for

all stakeholders and in particular to customers with safe and trusted products. Customers are guaranteed SAFETY and can always TRUST SKAN in that we attach great importance to ensuring the highest quality standards, meeting the latest regulatory expectations and providing on-time delivery. This SAFETY, in turn, will enable our customers to be successful and to outperform their competition. We believe this is the natural base for a long-term, trustful, win-win relationship.

Three pillars are decisive for how we create value, being the material topics of product quality and safety, direct economic value generated and distributed and innovation management. With this, we contribute to the sustainable development goals “good health and well-being” and “decent work and economic growth”.

The quality and compliance of our products have a direct impact on end-customer safety. Therefore, being able to provide our customers with safe and trusted products and services is our overall objective, and we always strive to ensure that our operations are in line with the high ethical standards and the expectations of our stakeholders. Our value proposition of Safety and Trust and strict regulatory measures are the basis for this.

As we strive to ensure compliance requirements of regulatory standards, certifications, and the expectations of our customers, we have implemented the quality management system ISO 9001:2015 and installed a dedicated management team. Besides ensuring that our products meet regulatory requirements, the quality management team is also in charge of ensuring that our manufacturing processes keep up to speed with regulatory developments.

To ensure the safety of our customers, we apply the standard SN EN ISO 12100 Safety of machinery, and register our products for the CE marking for the European Union. We also develop new products and services for our customers to support them in work safety, like the robot-aided test

procedure SKAN Conttest for fume cupboards. With SKAN Conttest, our customers can measure whether their operators are really protected during their routine work by the fume cupboard.

In 2021, our dedicated management team conducted several site visits and internal audits to ensure compliance requirements are strictly followed at all times. Consequently, no incidents were reported in 2021.

416-2: Customer Health and Safety –Incidents of Non-Compliance

	2021	2020
Incidents of Non-Compliance	None	None

At SKAN, we focus on markets with the highest regulatory requirements in the health sector. These are mainly situated in Europe, North America, Japan, South Korea, and Singapore. We also sell our products in emerging markets such as China, India, and Brazil. Potential breaches of local and international laws and regulations in the areas of competition law, corruption, sanctions, and fraud, amongst others could result in the imposition of significant fines and or sanctions for non-compliance and inflict reputational damage to us. Thus, it is very important to us to closely monitor our operations and make sure that we comply with local and international laws and regulations.

To ensure that operations are compliant with laws and regulations, we have installed several systems, for example our internal quality assurance system and internal control system.

In addition, we collaborate with specific specialists in the markets we serve, to safeguard that our actions meet with regional specificities.

We have a Code of Conduct for employees that applies to the whole SKAN Group, as well as a Code of Conduct for suppliers and a legal policy for SKAN AG.

We evaluate our compliance by conducting internal audits on a regular basis.

419-1: Non-compliance with Laws and Regulations in the Social and Economic Area

	2021	2020
Incidents of Non-Compliance	None	None

Maintaining our long-term financial health is key for us to be able to keep our position as a global market leader for high-end aseptic process solutions within the biopharmaceuticals industry. Our continued and sustainable economic success enables us to contribute to the wealth and well-being of our employees and the communities we are operating in, by paying wages, pensions and distributing dividends and tax payments. Further it enables us to invest into research & development and therefore boost innovation (SDG 8) and improve access to safe, effective, quality and affordable essential medicines and vaccines (SDG 3).

At SKAN, the management team is responsible for our financial stability and the growth of our operations. The management team brings a deep understanding and comprehensive expertise, which has been instrumental in growing SKAN's business in recent years and in building up and fortifying our market leadership. In addition, we have an experienced Board of Directors that has strong ties to our current shareholder base and thereby enable us to

develop our business independently and with a long-term view.

We strive to sustainably continue our growth track-record, increase our recurring revenue base, and expand the profitability of our business. We aim to fairly distribute wealth created by our business to our stakeholders.

We have processes in place to measure and evaluate the effectiveness of our strategy and financial KPIs.

GRI: 201-1: Direct Economic Value Generated and Distributed

in CHF thousands	2021	2020
<b>Direct economic value generated</b>		
Revenue	237'176	193'032
<b>Direct economic value distributed</b>		
Operating cost	102'124	89'212
Employee wages and benefits	101'736	86'288
Payments to providers of capital	29'619	5'509
Payments to government	3'328	1'966
Economic value retained	369	10'057

As a driver of change within a highly dynamic and rapidly growing niche market, it is important to us to be innovative. Because rapid digitalisation transforms and changes our customers' needs and expectations on our products and services, our economic sustainability depends on our ability to seize opportunities and (re)innovate our business models. Further new and digital solutions may benefit our end-customers, by ensuring high quality medicine and may also improve the lifecycle environmental footprint of our products and our footprint by reducing the need for travel.

We are continuously investing in innovation. For example, we have developed a dedicated solution for cell and gene therapy processes. This new isolator solution was specifically designed for handling cell cultures and the production of Advanced Therapy Medicinal Products in a GMP controlled environment. This new isolator solution is a flexible and modular platform that can be customized to ATMP process and a wide range of cell-related processes.

In terms of innovation and regulatory know-how we aim to continuously contribute to new guidelines and regulations in relevant regulatory and industry standards setting bodies.

To further develop our customers' solutions, we are also aiming to expand the addressable markets through exist-

ing and future joint development with our fill-finish partners. With these joint developments, we can deliver integrated solutions for our customers as a "one-stop-shop" approach and improve access to safe, effective, quality and affordable essential medicines and vaccines (SDG 3).

The Covid-pandemic has accelerated our digital transformation, including the ways that we engage with our customers and the ways we create our offerings. Our digital initiatives have started to gain traction, but we do not know yet whether they will be sustainable or not as they are further scaled and integrated into a wide range of products and service offerings.

We aim to increase the use of our augmented and virtual reality services. Furthermore, we are striving to implement a variety of Industry 4.0 initiatives. These include the use of artificial intelligence for preventive maintenance, using smart, connected automation for predictive and proactive maintenance. In addition, the development of fully integrated systems with comprehensive data and process monitoring is planned to allow so-called "one button release" for GMP documentation, thereby reducing human operations and as such human error and increasing inefficiency as the principle of dual control may no longer be required. This is of relevance to us, given that in our industry today, around 30% of working hours are spent on documentation and qualification matters, which, if done purely manually without the support of advanced software solutions, are prone to a high error rate.

The effectiveness of our investments in our innovations is evaluated regularly in the meetings of our R&D steering committee.

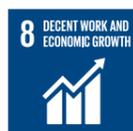
Innovation Management (no GRI): R&D spend

	2021	2020
Total R&D in CHF thousands	14'806	8'547
In % of net turnover	6.3%	4.5%



reddot winner 2021  
industrial design

# 3 Empowered Employees



For employees, we are striving to be an attractive employer, providing a safe and trustful, inspiring environment, allowing room for own initiative, innovation and ensuring short decision paths. We do so to make every single employee visible in the group and to enable every employee to perform to their best. In exchange, we expect and TRUST our employees to act entrepreneurially and flexibly within their range of responsibility and follow the necessary rules to fulfil and exceed the customers' expectations.

Our employees are a key enabler of our sustainable success and two material topics are decisive in this regard, being employee empowerment, development & engagement, as well as diversity & equal opportunity. With this, we contribute to the sustainable development goals of gender equality and decent work and economic growth.

## 1 Employee Empowerment

The continuous personal development of our employees is one of the core values of the SKAN Group. Because we believe that SKAN's success in ensuring seamless innovation and production depends in large parts on our abil-

ity to attract, retain and motivate highly skilled employees. We are therefore committed to supporting our employees in developing their full potential and continuously improving their skills.

We invest in the training and education of our employees and support their development with personalised opportunities. Our HR teams are responsible for managing employee development topics throughout the SKAN Group and report to the Chief Human Resources Officer.

In 2021, our focus was on supporting our employees during the Covid-pandemic to the best of our ability. By adapting to the effects of the Covid-pandemic we offered new online training formats. In the process, our actions were aligned with the needs of our employees and managers during the crisis.

To continuously improve our work environment, we conduct employee surveys on a regular basis. We ask our employees to tell us their thoughts and needs regarding current topics.

Furthermore, we have flat hierarchies at SKAN which encourage our employees to speak up and communicate their expectations openly.

401-1: New Employees Hired and Employee Turnover

Employee Type	New employee hires 2021		Employee turnover 2021	
	Employee hires	Hires in % <sup>1</sup>	Employee exit	Turnover in % <sup>2</sup>
<b>Total</b>	211	22.4%	79	8.4%
<b>Gender</b>				
Male	168	21.6%	59	7.6%
Female	43	26.5%	20	12.3%
<b>Age Group</b>				
< 30 years	70	36.8%	24	12.6%
30-50 years	124	21.1%	42	7.2%
> 50 years	17	10.3%	13	7.9%
<b>Region</b>				
Switzerland	137	22.5%	49	8.0%
Germany	40	18.5%	18	8.3%
Belgium	8	25.0%	2	6.3%
US	18	36.0%	8	16.0%
Japan	8	23.5%	2	5.9%

<sup>1</sup> Employee hires in percent of the average number of employees per year.

<sup>2</sup> Employee turnover in percent of the average number of employees per year.

The calculation is based on all employees at SKAN Group excluding temporary and external employees.

#### 404-1: Training and Education

	2021	2020
Total amount of training hours	59'705	42'656
Average training hours per employee		
Male	47	54
Female	21	25
Non-Management	46	53
Management	8	9

The calculation is based on all employees at SKAN Group without SKAN Stein and Aseptic Technologies, excluding temporary and external employees as well as Top Management.

The gap in training hours between male and female employees is explained by the high amount of training hours in technical jobs, which have a low proportion of female employees.

#### 404-2 Programs for upgrading employee skills and transition assistance programs

Throughout the SKAN Group, we constantly invest and push training and education of our employees. In our knowledge-intensive business, it is key to constantly adapt, improve and develop our skills and competencies. At SKAN, we never stand still. Constant learning and development keep us fresh, confident, competent and always a step ahead!

It all starts with our onboarding program that is well structured. It covers a variety of topics, training and information and enables an intense personal exchange with and between our new hires. At SKAN we are convinced that knowing what we do and knowing who we are is key for better fulfilling our daily business - for everyone. The more we know our products, processes and people, the better we work!

In the earliest stage, we have implemented our apprentice program in Europe. These are our youngest talents who profit from a dual education: part-time in school, part-time with us at SKAN. Our apprenticeships reach a wide range, e.g. commercial, automation, computer scientist, designer, fitter, welder, locksmith.

Further, we connect to engineering students at an early stage by offering internships for students and trainee programs for graduates. Often, students join SKAN after graduating from university.

Because our GMP close business requires a lot of certification of qualifications, we invest a lot in technical and role-specific trainings to correspond to the latest technologies, standards and findings.

All our technical employees must successfully complete our internal SKAN Academy program before they work in the field. Our engineers are trained by internal designated

experts with a deep knowledge and with a broad expertise around our isolator technology, pharmaceutical processes and understand the needs of our customers to a high degree. As we hire a lot of young talents, it is important to give them perspectives and the possibility to steadily learn and develop. We not only invest in language courses, technical courses and other programs, but we also invest a substantial part of the training budget in Master Degrees in Engineering disciplines.

Training and Development are not only key in technical aspects. Therefore, we invest also a substantial part in our Management Leadership Training, that everyone who is leading people has to complete. It is a 3-level training considering the seniority aspects in leadership to offer the best impact possible for all our leaders.

#### 2 A diverse and highly qualified workforce

For us, diversity means, among other things, having employees from different backgrounds working at SKAN. We acknowledge the benefits of having a diverse workforce and strive to enhance a strong corporate culture of collaborative excellence and innovation. We aim to promote diversity within SKAN and create a working environment in which our employees feel that they can thrive and perform at their best.

In 2021, we moved into our new headquarters in Allschwil and used this opportunity to develop further our working atmosphere: the new working environment focuses in all aspects on openness and the possibility for constant exchange. The open space concept also includes all members of the Management Board and even sensitive departments like finance or HR. Our goal is to include and connect our people to foster communication, exchange and also innovation.

Embedded in SKAN' DNA and our Code of Conduct, we have a zero tolerance policy for disadvantages against our employees and business partners and are working hard on being able to ensure that our people are being treated equally. We always focus on getting the best people for any position that fit in our teams and our company culture, therefore we make no difference between any ethnic origins, gender, sexual identity, religion, world-view or any disabilities. We are convinced that we all can learn from each other and take active social responsibility. We are proud to cooperate with an inclusive working platform as mitschaffe.ch and even had successful reintegration programs with our Social Security Institution.

For us, it is important to make our employees feel like they can speak up and report matters that concern them.

Our HR and SKAN Academy teams, who report to the Chief Human Resources Officer, are responsible for HR matters throughout the SKAN Group.

#### 405-1: Diversity of Governance Bodies & Employees

	Diversity of governance bodies 2021	Diversity of employees 2021			
		All employees	Non-Management	Management	Top Management
<b>Gender</b>					
Male	86.0%	82.7%	82.6%	84.4%	83.3%
Female	14.0%	17.3%	17.4%	15.6%	16.7%
<b>Age Group</b>					
< 30 years	0.0%	20.7%	22.7%	1.3%	0.0%
30-50 years	29.0%	62.4%	60.5%	83.1%	66.7%
> 50 years	71.0%	17.0%	16.8%	15.6%	33.3%

The calculation is based on all employees of SKAN Group excluding temporary and external employees.

#### 102-41: Collective bargaining agreements

In 2021, 4% of the employees at SKAN Group were covered by collective bargaining agreements.

# 4 Impact on nature (Emissions/Energy)



SKAN assumes an active position in strengthening environmental sustainability for the solutions offered and how the business is organized. Safety aspects and performance of the market offering remain uncompromised at any time. SKAN contributes to significant reductions in energy consumption of aseptic manufacturing by driving isolator technology. The use of isolators allows a significant reduction in cleanroom foot print compared to conventional technology, thus saving energy for air handling and conditioning as well as grey energy for building construction, cleanroom filters and maintenance. The reduction of operational energy consumption and emissions is even more important as it contributes to savings continuously during the useful lifetime of up to 15 years and a potential subsequent re-use of the equipment for follow-up use. The essence of SKAN's environmental policy is to avoid the source of environmental pollution rather than compensating for CO<sub>2</sub> emissions via third parties.

We are committed to assessing and reducing our footprint along the value chain, as we move forward with our sustainability initiative in the future. SKAN has an impact on the environment mainly by using energy and producing emissions. Our business and products do not otherwise have a significant

impact on other environmental aspects, such as toxic waste, effluents or water usage, etc. The material topic managed is therefore mainly emissions. With this, we contribute to the sustainable development goal "climate action".

The SKAN Group acknowledges that environmental stewardship is key to avoiding future negative impacts on our planet and society. Furthermore, if we were to fail to deliver on our targets and investor expectations, not only could we face a risk to our operational results and reputation in the short-term, it could also reduce our ability to achieve our strategic long-term goals, resulting in negative impacts on the value of our business.

When it comes to reducing our emissions, we have chosen to focus our efforts on areas where we have the most impact, our travels and energy consumption. We started the following initiatives to reduce our footprint:

- Group-wide decentralization to reduce (air) travel
- Electrification/Decarbonization of service fleet
- No-plastic initiative in our offices
- Solar panels on constructions with the latest building standards

305-1: Direct (Scope 1) GHG Emissions

305-2: Energy indirect (Scope 2) GHG Emissions

Scope	Activity Type	GHG emissions in CO <sub>2</sub> e (tonnes)	
		2020	2021
Scope 1	Stationary combustion	435	524
	Mobile combustion	268	277
Scope 1	<b>Total</b>	<b>703</b>	<b>801</b>
Scope 2	Purchased electricity – location based	660	758
Scope 2	Location based + heat steam	660	758

**Additional information:**

- CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, were all considered
- Biogenic CO<sub>2</sub> emissions are not applicable
- This is the first year that the company is reporting on its emissions. As per GHG Protocol companies shall choose and report a base year for which verifiable emissions data are available and specify their reasons for choosing that particular year. Companies should choose as a base year the earliest relevant point in time for which they have reliable data. Because of the Covid-pandemic, the currently measured emissions are not deemed to be sufficiently representative of an ordinary year and hence, SKAN has not yet selected a base year
- Source of the emission factors and the global warming potential (GWP) rates used:
  - Stationary Combustion: EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, 9 March 2018 <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>.
  - Mobile Combustion: EPA, "Emission Factors for Greenhouse Gas Inventories", 9 March 2018

- <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>; WRI, GHG Protocol – Emission Factors from Cross-Sector Tools, April 2014
- Purchased Electricity: European Residual Mixes 2018 v1.2 (published July 2019) - Table 2, Direct GWP (gCO<sub>2</sub>/kWh)
- Purchased Electricity: Green-e Energy Residual Mix Emissions Rates (2018)
- Purchased Electricity: Carbon footprint: 2020 Grid Electricity Emissions Factors - June 2020
- Purchased Electricity: EPA, "Emission Factors for Greenhouse Gas Inventories," Table 7 Steam and Heat, 9 March 2018 <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>.

- Consolidation approach for emissions, Standards, methodologies, assumptions, and/or calculation tools used:
  - Controls approach
  - GHG Protocol Corporate Standard
  - Estimate used for certain fuel activity data to extrapolate to relevant period, using heating days

**Additional Disclosure:**  
Flights (miles and CO<sub>2</sub> Emissions)

	2021	2020
Flight miles	3'453'608	3'451'046
CO <sub>2</sub> emissions (in metric tons)	1'465	1'358

The relation between CO<sub>2</sub> emissions and flight miles is mainly impacted by the duration of a flight (short-haul vs. long-haul). In 2021 the amount of short-haul flights (mainly at SKAN AG) slightly increased and impacted the average CO<sub>2</sub> emission per flight mile.



# GRI Content Index

102-55

This report has been prepared in accordance with the GRI Standard: Core option <sup>102-54</sup>

GRI Standard	Disclosure	Reference	Reason for omission/comment
<b>GRI 102: 2016</b>	<b>General Disclosures</b>		
Organisational profile			
<b>102-1</b>	Name of the organisation	SKAN Group AG	
<b>102-2</b>	Activities, brands, products, and services	Business Report p. 22–23	
<b>102-3</b>	Location of headquarters	Corporate Governance Report p. 68	
<b>102-4</b>	Location of operations	Sustainability Report p. 39	
<b>102-5</b>	Ownership and legal form	Corporate Governance Report p. 68–70	
<b>102-6</b>	Markets served	Sustainability Report p. 38	
<b>102-7</b>	Scale of the organization	Business Report p. 6–9	
<b>102-8</b>	Information on employees and other workers	Sustainability Report p. 42	
<b>102-9</b>	Supply chain	Sustainability Report p. 38	
<b>102-10</b>	Significant changes to the organization and its supply chain	Financial Report p. 203	
<b>102-11</b>	Precautionary Principle or approach	Sustainability Report p. 40	
<b>102-12</b>	External initiatives		SKAN did not subscribe to any external initiative according to GRI 102–12.

GRI Standard	Disclosure	Reference	Reason for omission/comment
Strategy			
<b>102-13</b>	Membership of associations and interest groups	Sustainability Report p. 45	
<b>102-14</b>	Statement from senior decision-maker	Letter to shareholders p. 10–12	
Ethics and integrity			
<b>102-16</b>	Values, principles, standards and norms of behaviour	Sustainability Report p. 40	
Management			
<b>102-18</b>	Governance structure	Corporate Governance Report p. 73–98	
Stakeholders' involvement			
<b>102-40</b>	List of stakeholder groups	Sustainability Report p. 43	
<b>102-41</b>	Collective bargaining agreements	Sustainability Report p. 57	
<b>102-42</b>	Identifying and selecting stakeholders	Sustainability Report p. 43	
<b>102-43</b>	Approach to stakeholder engagement	Sustainability Report p. 43	
<b>102-44</b>	Key topics and concerns raised	Sustainability Report p. 43	

GRI Standard	Disclosure	Reference	Reason for omission/comment
Reporting procedure			
102-45	Entities included in the consolidated financial statements	Financial Report p. 205	
102-46	Defining report content and topic Boundaries	Sustainability Report p. 45	
102-47	List of material topics	Sustainability Report p. 48	
102-48	Restatements of information		As this is our first year report, no restatement or changes were performed.
102-49	Changes in reporting		As this is our first year report, no changes in reporting took place.
102-50	Reporting period	Sustainability Report p. 36	
102-51	Date of most recent report	Sustainability Report p. 36	
102-52	Reporting cycle	Sustainability Report p. 36	
102-53	Contact point for questions regarding the report	Corporate Governance Report p. 101	
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report p. 36	
102-55	GRI content index	Sustainability Report p. 62–65	
102-56	External assurance		Report has not been externally assured.
<b>GRI 102 – 419</b>	<b>Topic-Specific Disclosures</b>		
<b>GRI 201: 2016</b>	<b>Economic Performance</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 50	
GRI 201-1	Direct economic value generated and distributed	Sustainability Report p. 50	
<b>GRI 416: 2016</b>	<b>Customer Health and Safety</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 49	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report p. 50	

GRI Standard	Disclosure	Reference	Reason for omission/comment
<b>GRI 419: 2016</b>	<b>Socioeconomic Compliance</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 50	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Report p. 50	
	<b>R&amp;D spend</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 50–51	
GRI 401: 2016	<b>Employment</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 54	
GRI 401-1	New employee hires and employee turnover	Sustainability Report p. 55	
GRI 405: 2016	<b>Diversity and Equal Opportunity</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 56	
GRI 405-1	Diversity of governance bodies and employees	Sustainability Report p. 57	
GRI 404: 2016	<b>Training and Education</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 54	
GRI 404-1	Average hours of training per year per employee	Sustainability Report p. 56	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report p. 56	
GRI 305: 2016	<b>Emissions</b>		
GRI 103: 2016	Management Approach	Sustainability Report p. 58	
GRI 305-1	Direct (Scope 1) GHG emissions	Sustainability Report p. 59	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report p. 59	
	Flight miles and CO <sub>2</sub> emissions	Sustainability Report p. 60	
GRI 103: 2016	Management Approach	Sustainability Report p. 58	

# Corporate Governance Report

The principles and rules of corporate governance at SKAN are laid down in numerous documents, in particular in the Articles of Association ([https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf)) and the Organizational Rules. SKAN Group AG is listed on SIX Swiss Exchange. This report complies with the Directive on Information relating to Corporate Governance (Directive Corporate Governance, DCG) of SIX Exchange Regulation AG dated 18 June 2021, which came into force on 1 October 2021.



# 1 Group structure and shareholders

## 1 Group structure

SKAN Group AG, with its registered office at Allschwil, in the canton of Basel-Landschaft, has been listed on SIX Swiss Exchange since 28 October 2021 in accordance with the Swiss Reporting Standard (security number: 1339601, ISIN: CH0013396012, security symbol: SKAN). Prior to the listing on SIX Swiss Exchange Ltd., the shares of the Company (as an investment company under its previous name "BV Holding AG") were listed on BX Swiss Ltd.

SKAN Group AG is the parent company and holds no investments in listed companies within its scope of consolidation. The market capitalization of SKAN Group AG as of 31 December 2021 is CHF 1'992'040'226.40.

SKAN Group AG is a stock corporation (Aktien-gesellschaft) organized under the laws of Switzerland in accordance with articles 620 et seq. Code of Obligations (CO) with unlimited duration. The Company was originally incorporated on 8 April 1997 as "Bern Venture Limited" under the laws of the British Virgin Islands and subsequently transferred its registered office to Bern, Switzerland (and at the same time changed its corporate name to "BV Holding AG"). The transfer of registered office was registered in the com-

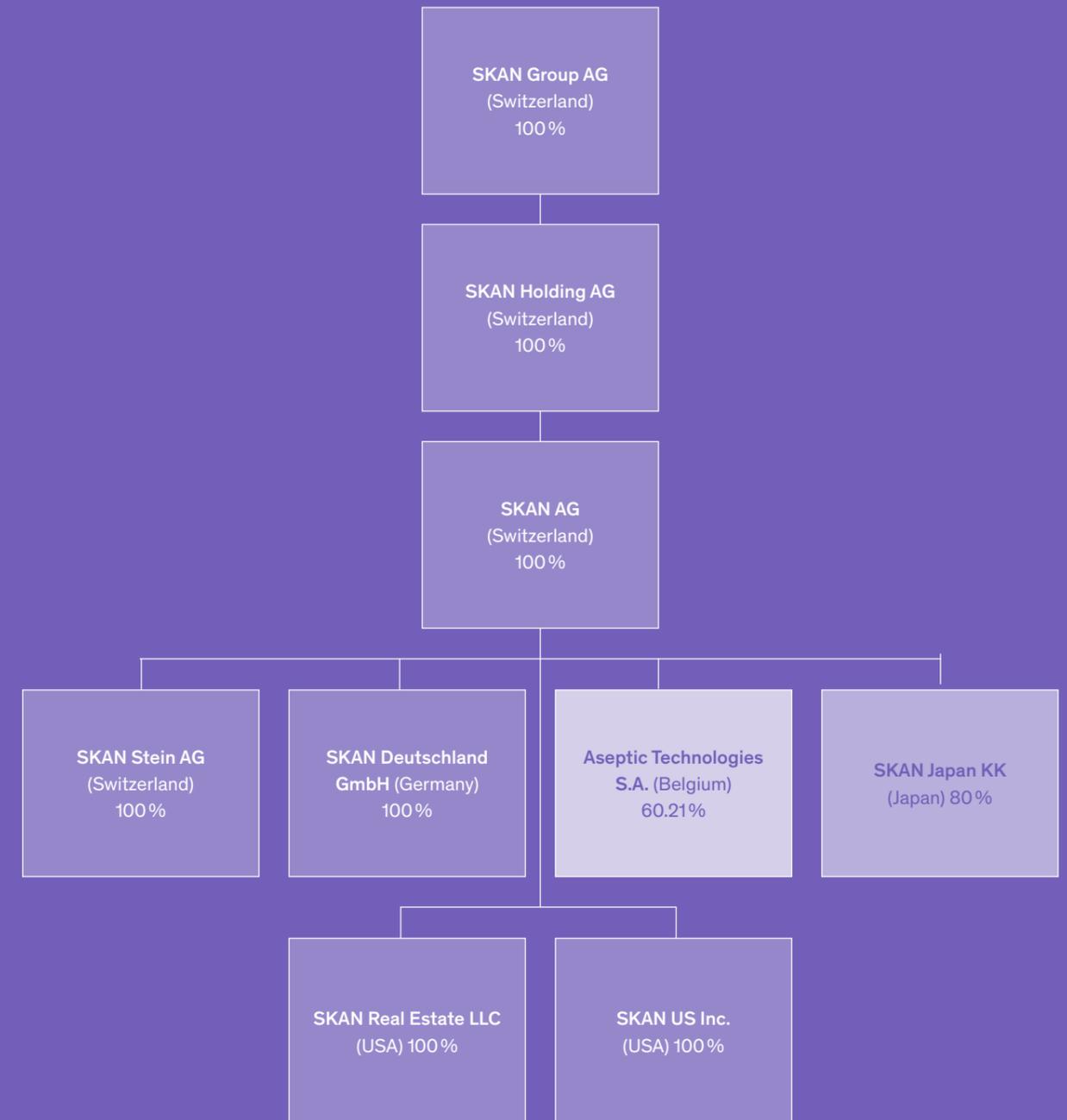
mercial register of the Canton of Bern on 30 November 2001. On 22 July 2021, the Company moved its registered office to Burgdorf, Canton of Bern, Switzerland.

On the occasion of the extraordinary shareholders' meeting of the Company held on 4 October 2021, the Company changed its corporate name from BV Holding AG to SKAN Group AG and moved its registered office from Burgdorf, Canton of Bern to Allschwil, Canton of Basel-Landschaft, Switzerland. As a result, since 4 October 2021, the Company is registered with the commercial register of the Canton Basel-Landschaft under the company registration number CHE-109.404.396.

The Company's registered address and head office is at Kreuzstrasse 5, 4123 Allschwil, Switzerland. The Company's Legal Entity Identifier (LEI) is 506700N25H370ZSEFR11.

As of 31 December 2021, the SKAN Group comprises 9 companies worldwide (fully consolidated). An overview of the group companies including company name, registered office and share capital as well as the shareholdings held by the SKAN Group are shown in note 4.2 to the consolidated financial statements of SKAN Group AG.

# Overview of our group structure



## 2 Significant shareholders

According to the share register of SKAN Group AG and the disclosure notifications to SIX Exchange Regulation, the following shareholders or groups of shareholders hold 3% or more of the voting rights as at 31 December 2021.

All disclosure notifications in relation with shareholdings and SKAN Group AG are published on SIX Exchange Regulation's website and can be viewed here (incl. Lock-up group information), <https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>

Shareholder/ Group of shareholders	Shares (percentage)	Shares (quantity)
Group of "Principal and Selling Shareholders" consisting of <sup>1</sup>	42.70% <sup>2</sup>	9'599'695
Dr. Willy Michel	17.37% <sup>2</sup>	3'904'951
Thomas Plattner	15.56%	3'497'466
Peter Baumann	9.77%	2'197'278
Group of "Other Selling Shareholders" including the following shareholders who individually hold 3% or more of the voting rights <sup>3</sup>	13.49%	3'033'650
Catum GmbH (Beneficiary: Martin Reber)	4.48%	1'006'479
Group of members of the Board of Directors and Management including the following shareholders who individually hold 3% or more of the voting rights <sup>4</sup>	8.69%	1'953'167
Thomas Huber	3.04%	683'905
<b>Total registered shares</b>	<b>100%</b>	<b>22'483'524</b>

<sup>1</sup> In connection with the IPO of SKAN Group AG, the Principal and Selling Shareholders have committed to a lock-up of a maximum of 18 months, i.e. until 26 April 2023, with part of the lock-up expiring after 180 days (i.e. on 26 April 2022).

<sup>2</sup> The deviation from the respective disclosure notification results from the full exercise of the over-allotment option granted by Dr. Willy Michel in connection with the IPO of SKAN Group AG.

<sup>3</sup> In connection with the IPO of SKAN Group AG, the Other Selling Shareholders have committed to a lock-up of 180 days, i.e. until 26 April 2022.

<sup>4</sup> In connection with the IPO of SKAN Group AG, members of the Board of Directors and Management have committed to a lock-up of 12 months, i.e. until 28 October 2022.

### Cross-shareholdings

There are no cross-shareholdings.

# 2 Capital structure

## 1 Capital

The share capital of SKAN Group AG amounts to CHF 224'835.24 as at 31 December 2021 and is divided into 22'483'524 registered shares with a nominal value of CHF 0.01 each. The entire share capital is fully paid in.

## 2 Authorized and conditional capital

As at 20 March 2018, the Company had authorized capital in the maximum amount of CHF 3'926'823.75 until 20 March 2020. This authorization expired in March 2020 without being used. Since then the Company does not have any authorized share capital.

For the last three years, there were no changes in the conditional capital.

## 3 Changes in capital

In 2019, there were no changes in the share capital. As of 31 December 2019, the share capital amounts to CHF 7'853'647.50, divided into 10'471'530 shares, fully paid-in, with a nominal value of CHF 0.75 per share.

On 31 March 2020, the share capital was reduced from CHF 7'853'647.50 to CHF 3'665'035.50 by reducing the nominal value per share from CHF 0.75 to CHF 0.35 while the number of shares remained unchanged at 10'471'530. The capital reduction amount of CHF 4'188'612 was paid out to the shareholders in cash with value date as of 10 July 2020.

On 7 July 2021, the share capital was reduced from CHF 3'665'035.50 to CHF 104'715.30 by reducing the nominal value from CHF 0.35 to of 0.01 while the number of shares remained unchanged at 10'471'530. The capital reduction amount of CHF 3'560'320.20 was paid out to the shareholders in cash with value date as of 24 September 2021.

In October 2021, the share capital was increased by CHF 120'119.94 from CHF 104'715.30 to CHF 224'835.24 through the issuance of 12'011'994 new fully paid-in registered shares with a nominal value of CHF 0.01 each. The capital increase was carried out in connection with the IPO and to take over 783'348 registered shares from previous shareholders of SKAN Holding AG in accordance with the contribution in kind agreement/contracts of 26 October 2021, for which the contributors were issued a total of 10'280'500 new registered shares with a nominal value of CHF 0.01 each in SKAN Group AG.

## 4 Shares and participation certificates

Each share gives the right to one vote. There are no shares with preferential rights or voting shares. All registered shares are eligible for dividends, with the exception of the treasury shares held by SKAN Group AG.

SKAN Group AG has not issued any participation certificates.

## 5 Profit-sharing certificates

SKAN Group AG has not issued any profit-sharing certificates.

## 6 Limitation of transferability and nominee registrations

### 6.1 Limitations of transferability

SKAN Group AG maintains a share register in which the owners, beneficiaries and nominees of the registered shares are entered with name, address and nationality (in the case of legal entities, the registered office).

In relation to SKAN Group AG, only those registered in the share register are recognized as shareholder, beneficiary or nominee. SKAN Group AG recognizes only one representative per registered share.

Subject to the registration limitation below, purchasers of shares are, upon request, entered in the share register as shareholders with voting rights upon proof of purchase or of the establishment of a usufruct, provided that they expressly declare that they hold the shares in their own name and for their own account.

The Board of Directors may refuse to recognize a shareholder or beneficial owner with voting rights if the shareholder, together with his or her shares already registered as having voting rights, would exceed the threshold of 20% of all registered shares entered in the commercial register. With the remaining shares, the acquirer is entered in the share register as a shareholder or beneficiary without voting rights.

Legal persons and legal communities linked by capital, voting power, management or otherwise, and all natural or legal persons or communities of persons acting in a coordinated manner by agreement, syndication or otherwise with a view to circumventing the percentage limit, shall be deemed to be one person.

The registration limitation applies subject to Art. 652b para. 3 and Art. 653c para. 3 CO also in the case of the acquisition of registered shares upon the exercise of subscription rights, options and conversion rights. The limitation does not apply to the acquisition of shares by inheritance, division of inheritance or matrimonial property law.

The Board of Directors may cancel entries in the share register with retroactive effect to the date of entry if they have been made as a result of false information. It may hear the shareholder or nominee concerned in advance. The affected shareholder or nominee shall be informed immediately of the cancellation.

#### 6.2 Reasons for granting exceptions during the year under review

No exceptions were granted during the year under review.

#### 6.3 Admissibility of nominee registrations

Persons who do not expressly declare in their application for registration that they hold the shares for their own account (nominees) are entered in the share register as shareholders with voting rights up to a maximum of 3% of the outstanding share capital. Beyond this registration limit, nominees are entered in the share register as shareholders

with voting rights if the nominee concerned discloses the names, addresses, nationalities and shares of those beneficial owners on whose behalf he holds 0.5% or more of the outstanding share capital and if the notification requirements under the Federal Act on Financial Market Infrastructures and the Market Conduct in Securities and Derivatives Trading (FMIA) (as amended) are met. The Board of Directors is authorized to enter into agreements with nominees regarding their reporting obligations and to grant exceptions to this rule in individual cases.

In the year under review, the Board of Directors has not registered any nominees with voting rights exceeding 3%.

#### 6.4 Procedure and conditions for the removal of privileges and limitations of transferability laid down in the Articles of Association

Amending or removing restrictions of transferability of registered shares requires a resolution of the general meeting passed by at least 2/3 of the votes represented and the majority of the nominal value of the shares represented at that general meeting.

#### 7 Convertible bonds and options

SKAN Group AG has not issued any convertible bonds or options.

## 3 Board of Directors

### 1 Members of the Board of Directors

According to Art. 14 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the Board of Directors is composed of at least three members, who do not need to be shareholders.

With the exception of Thomas Huber, none of the Board members carries out operative management tasks for SKAN Group AG or one of the group companies. Thomas Huber is the Group's CEO.

As at 31 December 2021, the Board of Directors is composed as follows\*:

Name	Nationality	Function	In office since	Executive management function the last 3 years
<b>Dr. Gert Thoenen</b>	Swiss	Chairman of the BoD	04.10.2021	No
<b>Oliver Baumann</b>	Swiss	BoD member	04.10.2021	No
<b>Cornelia Gehrig</b>	Swiss	BoD member	04.10.2021	No
<b>Thomas Huber</b>	Swiss	BoD member	04.10.2021	Yes (CEO of SKAN AG)
<b>Dr. Beat Lüthi</b>	Swiss	BoD member	04.10.2021	No
<b>Gregor Plattner</b>	Swiss	BoD member	04.10.2021	No
<b>Patrick Schär</b>	Swiss	BoD member	04.10.2021	Yes (CEO of BV Holding AG – former name of SKAN Group AG – until 04.10.2021)

\* Ernst Balmer, Dr. Willy Michel, Rubino Mordasini and Thomas Plattner stepped down as members of the Board of Directors as of 4 October 2021. All non-executive members of the Board of Directors are independent in the sense of the Swiss Code of Best Practice for Corporate Governance and have not served on either the Executive Management of SKAN Group AG or the management board of any subsidiary during the past three years. They do not have significant business relationships with SKAN.

One of the non-executive members of the Board of Directors provides services at irregular intervals to SKAN or its subsidiaries. Dr. Gert Thoenen provides consulting ser-

vices as partner at Lenz Caemmerer. The legal services primarily relate to corporate, real estate (including legal advice in connection with the construction of the new headquarters and the sale of the previously used real estate) and intellectual property law matters. In the year under review, the legal fees directly attributable to Dr. Gert Thoenen amounted to CHF 78'013 (including services rendered in connection with the IPO). In addition, the law firm Lenz Caemmerer provides tax advice to the SKAN Group in the ordinary course of business and at arm's length terms. In the year under review, the legal fees for such tax advice were included in the cost amount shown. Legal fees for such tax advice were not attributed to Dr. Gert Thoenen.



**Gert Thoenen, 1957**  
Dr. iur., Attorney at Law, LL.M.  
Swiss citizenship

**Position**  
Chairman of the BoD, NCC member

**Education, professional career**  
Studied law at the University of Basel, graduated in 1983, Dr. iur. 1988 (University of Basel) Admitted to the bar in 1986. Currently partner at Lenz Caemmerer (Basel and Karlsruhe).

**Significant mandates**

- AIL Group (BoD member)
- Airport Casino Basel AG & Airport Hotel Basel AG (BoD member)
- APACO Group (BoD member)
- Burckhardt Architektur Group (BoD member)
- Neoperl Group (BoD member)
- 24 Stunden Apotheke Basel AG (BoD Chairman)
- Praxisklinik Rennbahn AG (BoD Chairman)
- Tschantré AG (BoD Chairman)



**Oliver Baumann, 1971**  
Federal diploma Hôtelier / Restaurateur HF  
Swiss citizenship

**Position**  
BoD member, NCC member

**Education, professional career**  
Studied business management at SHL and holds a federal diploma. Experience in corporate management in hospitality management and healthcare business. Currently Head of Hospitality and Facility management.



**Cornelia Gehrig, 1966**  
lic.rer.pol, Certified Public Accountant  
Swiss citizenship

**Position**  
BoD member, AC Chairwoman

**Education, professional career**  
Lic.rer.pol. (University of Bern, business administration and economics). Certified Public Accountant (EXPERTsuisse). Corporate leadership program at IMD Lausanne/Singapore Track record as Group CFO in internationally active companies (Bystronic Group, Precious Woods Group, Ionbond Group) with overall responsibility for Global Finance & IT. Independent director since 2021.

**Significant mandates**

- Bank Cler (BoD member)
- Ernst Schweizer AG (BoD member)
- LUKS Group (BoD member)
- Visana Group (BoD member)



**Thomas Huber, 1966**  
MSc ETH  
Swiss citizenship

**Position**  
BoD member, Group CEO, Member of executive management at SKAN since 2005

**Education, professional career**  
MSc ETH Zürich  
Advanced management program (SKU/HSG 2007 & INSEAD 2017)

Since 2017 CEO SKAN Group  
2009 Chief Management Officer, Deputy CEO & member of Management  
2005 Director of Sales & member of management  
1998 Sales Manager  
1996 joined SKAN AG as Sales Engineer

**Significant mandates**

- Limbic Life AG (BoD member)



**Beat Lüthi, 1962**  
Dr. sc. techn. ETH  
Swiss citizenship

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**Position**  
BoD member, NCC Chairman

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**Education, professional career**  
Studied electrical engineering at ETH Zurich and Business Administration (PhD). Successfully completed the International Executive Program at the INSEAD Business School. CEO of CTC Analytics AG since 2008.

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- Significant mandates**
- Apaco AG (BoD member)
  - Inficon Group (BoD Chairman)
  - Straumann Group (BoD member)



**Gregor Plattner, 1970**  
lic. iur.  
Swiss citizenship

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**Position**  
BoD member, AC member

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**Education, professional career**  
Studied law at the University of Basel, graduated in 1998. Has held various management roles in IT, Sourcing, Risk Management and HR at UBS since 2005. Currently Head Category Management for Professional Services.



**Patrick Schär, 1977**  
lic.rer.pol.  
Swiss citizenship

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**Position**  
BoD member, AC member

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**Education, professional career**  
Studied business administration and economics at the University of Bern (lic.rer.pol.) and trained as a banker. CEO of BV Holding AG (BV Group) from 2010 to 2021 and CEO of TecMed AG since 2021.

- 
- Significant mandates**
- BV Holding AG (CEO until 04.10.2021)
  - Covalys BioSciences AG in liquidation (BoD member)
  - Gurtenfestival AG (BoD member)
  - LEM Surgical AG (BoD member)
  - TecMed AG (CEO)
  - Ypsomed Innovationsfonds



From left to right:  
Front row: Patrick Schär, Oliver Baumann, Cornelia Gehrig  
Back row: Dr. Gert Thoenen, Thomas Huber, Gregor Plattner, Dr. Beat Lüthi

**3 Rules in the Articles of Association on the number of permitted activities**

According to Art. 14 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the number of mandates within the supreme management and governance bodies of legal entities outside the Company that must be entered in the Swiss commercial register or a comparable foreign register is limited for Board members to four mandates in listed companies and to seven mandates in large non-listed companies that meet the requirements of Art. 727 para. 2 no. 2 OR (ordinary audit), and to fifteen mandates in other legal entities such as small companies, foundations and associations. If mandates are exercised within several legal entities of the same group or on behalf of a group, these are counted as one mandate. Short-term exceedances are permitted.

**4 Election and term of office**

According to Art. 14 and 15 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the general meeting elects the members and the chairperson of the Board of Directors, each for a one-year term of office. The term of office ends after the conclusion of the next annual general meeting. Prior resignation and removal remain reserved. The members of the Board of Directors may be re-elected at any time.

With the exception of the election of the chairperson and the election of the members of the Nomination and Compensation Committee by the general meeting, the Board of Directors constitutes itself. As required, it elects one or several vice-chairpersons, delegates and the secretary, who does not need to be a member of the Board of Directors. If the office of the chairperson of the Board of Directors becomes vacant, the Board of Directors designates a new chairperson from amongst its members for the remaining term.

The general meeting elects an independent proxy each year. The term of office ends after the next ordinary general meeting. Re-election is possible. If the Company does not have an independent proxy elected by the general meeting, the Board of Directors appoints one for the next general meeting.

**5 Internal organization**

**5.1 Allocation of tasks within the Board of Directors**

The Board of Directors is composed of the chairman, Dr. Gert Thoenen, and six other members. The Board of Directors has not appointed a vice-chairperson. The day-to-day management was assigned to Thomas Huber, who also acts as the Group's CEO.

The Board of Directors may assign the preparation and execution of its resolutions or the supervision of certain topics to committees or individual members. It must ensure appropriate reporting to its members.

The members of the Board of Directors cover a broad spectrum of competencies. Each member has an in-depth knowledge of his or her relevant areas of expertise. Together, they ensure that the Board of Directors can adequately execute its strategic oversight and control over the SKAN Group.



## 5.2 Composition, duties and delimitation of competencies of all BoD committees

The Board of Directors has set up the following committees:

- the [Nomination and Compensation Committee \(NCC\)](#)
- the [Audit Committee \(AC\)](#)

The following table shows the existing committees during the year under review as well as their members.

Name	Nomination and Compensation Committee	Audit Committee
<a href="#">Cornelia Gehrig</a>		● (chairwoman)
<a href="#">Gregor Plattner</a>		●
<a href="#">Patrick Schär</a>		●
<a href="#">Dr. Beat Lüthi</a>	● (chairman)	
<a href="#">Oliver Baumann</a>	●	
<a href="#">Dr. Gert Thoenen</a>	●	

## 5.3 Working method of the Board of Directors and its committees

### Board of Directors

According to section 3.4 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Board of Directors meets as often as the Group's business requires or when this is requested by a Board member, but at least six times a year.

The deliberations and passing of resolutions within the Board of Directors generally take place at physical meetings. Instead of meetings, telephone and video conferences or meetings using other means of electronic data transmission may also be organized.

Board meetings are convened by the chairperson or the latter's deputy. Each Board member is entitled to request a Board meeting by stating the agenda items.

The meeting is convened at least ten days in advance, unless otherwise required by urgent matters, in writing or using means of electronic data transmission (e.g. e-mail, DocuSign, etc.) and by stating the time, place and agenda items. The documents that are necessary to ensure the proper preparation of the Board meeting must be submitted to the Board members at the same time as the written notice convening the meeting. It is possible to forego complying with this deadline with the consent of all Board members, which must take place in writing or using means of electronic data transmission (e.g. e-mail, DocuSign, etc.). If all Board members are present and if no objection is raised, the meeting may be held without complying with the above-mentioned requirements.

The chairperson or the latter's deputy shall set the agenda items for the meeting. Each Board member has the right to have a specific item set on the agenda provided they submit to the chairperson a written request (also using means of electronic data transmission (e.g. e-mail, DocuSign, etc.)) at least five days before the meeting. All Board members must be informed immediately about such changes by the chairperson or his deputy.

The chairperson or, in case the latter is incapacitated, the latter's deputy presides over the meeting. In case the chairperson and the latter's deputy are incapacitated, the Board members present designate a member as chairperson of the meeting.

The CEO usually takes part in the Board meetings; any other member of Management or other individuals who are not Board members may be invited to Board meetings.

The persons taking part in the meeting who are not Board members take part in an advisory capacity but have no voting right; furthermore, they must leave the meeting as soon as the chairperson or a majority of Board members so require. The NCC and AC were set-up post the IPO in October 2021.

### Overview of the planned Board meetings 2022

	Meetings
Number of meetings	6 (minimum)
Average duration	6.5 hours

Participants	Number of participations
<a href="#">Dr. Gert Thoenen</a>	6
<a href="#">Oliver Baumann</a>	6
<a href="#">Cornelia Gohrieg</a>	6
<a href="#">Thomas Huber</a>	6
<a href="#">Dr. Beat Lüthi</a>	6
<a href="#">Gregor Plattner</a>	6
<a href="#">Patrick Schär</a>	6

In the year under review 5 board meetings with an average duration of 3 hours were held. The following board members participated in the first four meetings:

<a href="#">Ernst Balmer</a>	(chairman)
<a href="#">Dr. h.c. Willy Michel</a>	(member)
<a href="#">Dr. Rubino Mordasini</a>	(member)
<a href="#">Thomas Plattner</a>	(member)

The last board meeting in November 2021 was held in the new constellation for 2022. The CEO was present at all board meetings. Additionally legal consultants joined the first 4 meetings. BDO participated in the first board meeting in 2021. In the board meeting of November 2021 the executive management participated as well.

### Nomination and Compensation Committee

According to Art. 21 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) and section 3.2 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Nomination and Compensation Committee is composed of at least three members of the Board of Directors who are elected by the general meeting on a yearly basis. The term of office ends after the conclusion of the next annual general meeting. The Board of Directors designates the chairperson of the Nomination and Compensation Committee. In the event of an early resignation of one or several Board members, the Board of Directors may designate substitute members from among its members until the conclusion of the next annual general meeting. The Nomination and Compensation Committee meets as often as business activities require, but at least twice a year.

The Nomination and Compensation Committee defines the Group's compensation policy as well as the Group's performance objectives and criteria. It monitors its implementation periodically and submits further suggestions and recommendations to the Board of Directors. The Nomination and Compensation Committee prepares the relevant Board resolutions in relation with the nomination and compensation of the Board members, the CEO and the other members of Management and submits corresponding proposals to the Board of Directors. The Nomination and Compensation Committee reports periodically to the Board of Directors on its activities.

The Board of Directors may transfer to the Nomination and Compensation Committee other powers and duties regarding nomination and compensation as well as related matters. The overall responsibility for the duties and powers transferred to the Nomination and Compensation Committee remains with the Board of Directors.

### Overview of the planned meetings of the Nomination and Compensation Committee 2022

	Meetings
Number of meetings	2
Average duration	1.5 hours

Participants	Number of participations
<a href="#">Dr. Beat Lüthi</a>	2
<a href="#">Oliver Baumann</a>	2
<a href="#">Dr. Gert Thoenen</a>	2

No NCC meeting was held in the year under review.

### Audit Committee

According to section 3.3 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Board of Directors sets up an Audit Committee composed of at least three Board members.

The term of office ends after the conclusion of the next annual general meeting. The Board of Directors designates a chairperson who cannot be the chairperson of the Board of Directors. The Audit Committee meets as often as business activities require, but at least four times a year.

The Board of Directors seeks to designate independent and non-executive members within the meaning of the provisions of the Swiss Code of Best Practice for Corporate Governance as members of the Audit Committee. The majority of members, including the chairperson, must be experienced in financial and accounting matters.

The Audit Committee supports the Board of Directors in fulfilling its duties prescribed by law, in particular in the areas of financial controlling (ultimate supervision of the internal audit function and of the statutory auditor, monitoring of financial reporting) and ultimate supervision of the persons entrusted with management (internal control system). The Audit Committee's powers and duties are detailed in the Audit Committee Regulations, which can be found in Annex 3 to the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>.

The overall responsibility for the duties and powers transferred to the Audit Committee remains with the Board of Directors. The Audit Committee reports periodically to the Board of Directors on its activities.

### Overview of the planned meetings of the Audit Committee 2022

	Meetings
Number of meetings	4
Average duration	4.0 hours

Participants	Number of participations
<a href="#">Cornelia Gehrig</a>	4
<a href="#">Gregor Plattner</a>	4
<a href="#">Patrick Schär</a>	4

In the year under review the AC met once. The CEO, CFO, Head FICO and the statutory auditor attended this meeting which took 3 hours.

**6 Definition of areas of responsibility**

According to Art. 18 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the Board of Directors has the following non-transferable and inalienable duties:

- 1 the ultimate management of the Company and the issuance of the necessary directives;
- 2 the determination of the organization;
- 3 the determination of the accounting system, financial controlling and financial planning;
- 4 the designation and removal of those entrusted with management and representation as well as the determination of their signatory powers;
- 5 the ultimate supervision of those entrusted with management, particularly with regard to compliance with the laws, statutes, regulations and directives;
- 6 the preparation of the management report consisting of the annual report and the consolidated financial statements and the compensation report as well as the preparation of the general meeting and the execution of its resolutions;
- 7 the passing of resolutions on the subsequent payment of capital on non-fully paid-in shares;
- 8 the passing of resolutions on the determination of capital increases and subsequent changes to the Articles of Association;
- 9 the notification of the court in case of over-indebtedness;
- 10 other non-transferable and inalienable duties and powers of the Board of Directors in accordance with the Merger Act and other applicable laws;
- 11 the passing of resolutions on other matters that are reserved to the Board of Directors by law or the Articles of Association.

In addition to the non-transferable duties, the Board of Directors also decides upon the following in accordance with the "Chart of Authorities SKAN Group":

- Group strategy, medium-term planning and group budget
- Salaries and bonus system
- Non-budgeted loans
- Acquisition and use of shares, share certificates and options
- Investments ≥ 1 million
- Strategic partnerships, joint ventures and indirect capital investments
- Acquisition and investments in other business areas
- Divestiture of divisions or fixed assets (without investments) ≥ 0.3 million
- Acquisition, disposal or lease of buildings ≥ 0.3 million
- Conclusion of comparisons or disputes ≥ 0.3 million

According to section 5.1 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Board of Directors has delegated the operational management to the management serving in a group company (SKAN AG); the latter's rights and duties are summarized in the following paragraphs.

The CEO and members of Management are designated and dismissed by the Board of Directors.

Management runs the Group's business under the direction of the CEO. Management decides upon all matters that are not reserved to the Board of Directors, the CEO or another body in accordance with the law, the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) or the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>.

Management must comply with the orders and instructions issued by the Board of Directors. Management reports periodically to the Board of Directors and informs the latter about the current state of affairs and important business transactions.

Significant processes and events that may have a lasting effect on the Group's operations must be communicated immediately to the Board members by way of circular.

**7 Information and controlling instruments vis-à-vis Management**

The Board of Directors receives exactly the same information as Management. The report covers orders and revenues recorded within each business unit against the previous year and the budget. It also contains an actual and fore-

cast cashflow statement until the end of the year, detailed information on overhead costs against the previous year and the budget as well as financial and personnel-related indicators. The financial report gives the Board of Directors an overview of the current business activities.

Information and controlling instruments	every 5 years	once a year	twice a year	quarterly
<b>Financial report</b> (balance sheet, income statement, cashflow and indicators)			●	
<b>Budget</b>		●		
<b>Forecast</b>				●
<b>Strategy/Vision</b> (5-year plan)	●			
<b>Risk assessment</b>		●		
<b>Internal control system</b>		●		

The budget is prepared once a year during the autumn for the following year. The strategy provides guidance in this respect. To this end, all cost center managers, Management and the Controlling function come together in order to prepare the budget during a two-day external workshop. Each quarter, the budget is slightly revised based on a forecast and adjusted to the current situation. The budget and the forecast are accepted by the Board of Directors.

The strategy, or vision, is defined every five years for the next five years. Once a year this vision/strategy is reviewed in line with market developments and confirmed by the board of directors. The current vision is effective until 2025. In this respect, the Board of Directors sets the strategic direction, which is defined by Management in conjunction with the Controlling function. Finally, the strategy is critically analyzed and adopted by the Board of Directors.

The risk assessment is revised once a year in collaboration with a third-party company. In this respect, new risks are identified, existing risks are reassessed and damages are

evaluated. Measures are then taken in order to mitigate the risks. The report is submitted to the Board of Directors during the first meeting following completion and the topic is then addressed.

The internal control system (ICS) is audited by the statutory auditor in accordance with the Swiss Code of Obligations (Art. 728 a para. 1 no. 3 and 728 b para. 1 OR) and the results are communicated to the Board of Directors in a report. Each year, the statutory auditor concentrates on various focus areas.

The Internal Audit function works totally independently and, from an organizational point of view, reports directly to the chairperson of the Board of Directors. Since SKAN does not yet have a dedicated department for this, the Quality Assurance (QA) function currently fulfils this role. Another solution will be found in the medium term.



## 4 Management

### 1 **Members of Management**

The Board of Directors has delegated the management to the CEO, Thomas Huber, who has been CEO of the SKAN Group since 2017. Management is composed of the CEO as well as nine other members who are responsible for the various departments.

2 **Members of Management**

The mandates of Management are disclosed according to their importance.



**Thomas Huber, 1966**  
Group CEO  
Chief Executive Officer  
Swiss citizenship

**Position**  
BoD member, Member of executive management at SKAN since 2005

**Education, professional career**  
MSc ETH Zürich  
Advanced management program (SKU/HSG 2007 & INSEAD 2017)

Since 2017 CEO SKAN Group  
2009 Chief Management Officer, Deputy CEO & member of Management  
2005 Director of Sales & member of management  
1998 Sales Manager  
1996 joined SKAN AG as Sales Engineer

**Significant mandates**

→ Limbic Life AG (BoD member)



**Michel Gasser, 1974**  
Group CSO  
Chief Life Cycle Support Officer  
French citizenship

**Position**  
Member of executive management at SKAN since 2020

**Education, professional career**  
MSc in Composites at the University of Bordeaux & MSc in Chemistry, University of Strasbourg,  
BSc in Physics, University of Strasbourg

Since 2020 CLS SKAN Group  
2017 Senior Director Engineering, Jet Aviation Basel  
2014 Manager Engineering, Jet Aviation Basel  
2012 Manager Engineering Project Managers, Jet Aviation Basel  
2009 Engineering Project Manager, Jet Aviation Basel  
2008 Manager Mechanical Engineering, Jet Aviation Basel  
2007 Manager Stress Department, Jet Aviation Basel  
2001 Stress Project Lead, Jet Aviation Basel  
1999 Stress Engineer, HTS Wallisellen



**Cornelia Henny-Weiss, 1972**  
Group COO  
Chief Operation Officer  
Swiss/German citizenship

**Position**  
Member of executive management at SKAN since 2021

**Education, professional career**  
Degree in Physics (Technical University Chemnitz/Germany),  
Doctorate in Engineering, Materials Sciences (Technical University Dresden/Germany)

Since 2021 COO SKAN Group  
2010 Head of Operations BiPolar Products, ABB / Hitachi Power Grids  
2009 Project Leader BiPolar Production Extension, ABB / Hitachi Power Grids,  
2009 Fab Interface Manager, Espros Photonics (EPC)  
2007 Head of Front-End-of-Line, Espros Photonics (EPC)  
2004 Module Shift Manager Lithography, Advanced Micro Devices (AMD)  
1999 Shift Team Leader, Senior Engineer Lithography, Advanced Micro Devices (AMD)  
1997 Materials Analyst, Advanced Micro Devices (AMD)



**Philippe Jérôme, 1976**  
Group CMO  
Chief Marketing & Sales Officer  
French citizenship

**Position**  
Member of executive management at SKAN since 2017

**Education, professional career**  
ENSAM High School of Engineering  
Arts Et Métiers, SKU University of St. Gallen  
Advanced management Diploma

Since 2017 Chief Sales and Marketing Officer SKAN Group  
2015 Head of Sales Europe  
Chief Sales and Marketing  
2007 joined SKAN AG as Sales Manager

2 **Members of Management**

The mandates of Management are disclosed according to their importance.



**Burim Maraj, 1982**  
Group CFO  
Chief Financial Officer  
Swiss citizenship

**Position**  
Member of executive management at SKAN since 2012

**Education, professional career**  
BSc in Business Administration, University of Applied Sciences and Arts of Northwest Switzerland, Executive MBA HSG

Since 2018 CFO SKAN Group  
2012 Chief Officer IT & Controlling, SKAN AG, became member of Management  
2011 Controller SKAN AG  
2008 joined SKAN AG as finance & accounting and administration clerk

- Significant mandates**
- AUTOCARE GmbH (Co-owner)
  - MARBEES GmbH (Co-owner)
  - SKANDEBERG SH.P.K. (Co-owner)



**Bernd Naumann, 1963**  
Group CTO  
Chief Technical Officer  
Swiss citizenship

**Position**  
Member of executive management at SKAN since 2009

**Education, professional career**  
MSc in Mechanical Engineering ETH Zürich, Executive MBA HSG, Advanced management program INSEAD

Since 2009 CTO SKAN Group  
2007 CDO (Chief Development Officer), Jakob Müller AG machine factory, Frick  
2006 CEO, Mägerle AG machine factory, Fehraltorf  
2000 General Manager, SCA Packaging Switzerland AG, Oftringen  
1997 Head of production (Switzerland & International), Bally Schuhfabriken AG, Schönenwerd  
1989 Head of production engineering, Sulzer Rüti AG, web systems, Rüti  
1987 Assistant at the Department of management, Federal Institute of Technology (ETH), Zurich



**Sascha Pawel, 1975**  
Group CIO  
Chief Innovation Officer  
German citizenship

**Position**  
Member of executive management at SKAN since 2016

**Education, professional career**  
Degree in Electrical Engineering / Microelectronics and Sensors University of Ilmenau, Executive MBA HSG

Since 2018 CIO SKAN Group  
2016 COO (Chief Operations Officer) SKAN Group  
2015 Global Process Manager SKAN Group  
2014 EMBA General Management, University of St. Gallen  
2012 Director Operations High Power, Power Integrations Switzerland / Power Integrations Group  
2010 Head of Technology Development and Head of Production and Quality, CT-Concept Technologie AG  
2007 Senior Engineer R&D, CT-Concept Technologie AG  
2005 Project Leader ASIC Design, CT-Concept Technologie AG  
1999 Research Staff Member, Ilmenau Technical University, Germany



**Fabienne Schmid, 1981**  
Group CHRO  
Chief Human Resources Officer  
Swiss citizenship

**Position**  
Member of executive management at SKAN since 2013

**Education, professional career**  
MSc Psychology, University of Basel, Executive MBA HSG

Since 2016 CHRO SKAN Group responsible for topics concerning HR and SKAN Academy.  
2013 joined SKAN as Head HR & Organizational Development and member of Management  
2007 CEO Assistant & HR Assistant, OC Oerlikon Balzers AG  
2009 HR Assistant, Novartis Pharma AG via Avenir Operations AG  
2010 Head HR, FMI – Friedrich Miescher Institute (Novartis)  
2010 Assistant to the HR Manager, Manor  
2011 Assessor, Concepta Classic Search AG

## 2 Members of Management

The mandates of Management are disclosed according to their importance.



### Martin Steegmüller, 1973

Group CPO and CDO  
Chief Officer Pure Solutions and Digital Solutions  
Swiss/German citizenship

#### Position

Member of executive management at SKAN since 2017

#### Education, professional career

BSc in Business Administration and International Marketing (Berufsakademie Villingen-Schwenningen, Germany),  
Executive MBA (University Toronto, Canada, and HSG)

Since 2020 Group CDO in addition to Group CPO  
2017 joined SKAN as CPO and member of Management  
2014 Managing Director Kuschall AG, Invacare AG, active wheelchairs  
2008 Area Manager Europe II, Cochlear AG, hearing implants  
2005 Marketing Director Diagnostic Cardiology EMEA, General Electric (GE) Medical Systems IT GmbH  
2004 Marketing Manager EMEA "Resting ECG" & strategic alliances / OEM, General Electric (GE) Medical Systems IT GmbH  
2002 Product Manager EMEA Cardiology; CVIS (Cardio Vascular Information Systems), General Electric (GE) Medical Systems IT GmbH  
1997 Area Manager Export Aluminium Composites (Display), Alusuisse Singen GmbH  
2001 E-Business/E-Commerce Manager EMEA, General Electric (GE) Medical Systems IT GmbH

#### Significant mandates

→ Steegmüller GmbH (BoD member)



### Thomas Zinn, 1970

Group CCO  
Chief Contracting Officer  
German citizenship

#### Position

Member of executive management at SKAN since 2020

#### Education, professional career

Degree in Engineering, University of Applied Sciences Albstadt-Sigmaringen,  
20+ years of experience in the development & manufacturing of pharmaceutical drug

Since september 2020 CCO SKAN Group  
2019 Head Process Unit Galenic, Novartis Pharma Stein AG  
2018 Head Strategic Planning & PMO, Novartis Pharma Stein AG  
2016 Head Drug Product Supply Affiliate Sites, Novartis Pharma Stein AG  
2013 Plant Head, Sandoz GmbH Schafftenau  
2011 Head Quality Systems, Novartis Pharma Stein AG  
2008 Facilitator, Novartis Pharma Stein AG  
2005 Process Manager, Novartis Pharma Stein AG  
2005 Team Leader, Novartis Pharma Stein AG  
2003 Process Manager Assistant, Novartis Pharma Stein AG  
1998 Methods Engineer, F. Hoffmann-La Roche AG

## 3 Mandates

According to Art. 14 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the maximum number of mandates is limited to one mandate in listed companies, five mandates in large non-listed companies and fifteen mandates in other legal entities. If mandates are exercised in several legal entities of a single group or on behalf of a group, these are counted as one mandate. Short-term exceedances are permitted.

## 4 Management contracts

SKAN Group has not concluded any management contracts with third parties.



From left to right:  
Thomas Zinn, Bernd Naumann, Sascha Pawel, Martin Steegmüller, Cornelia Henny-Weiss, Philippe Jérôme, Burim Maraj,  
Fabienne Schmid, Michel Gasser, Thomas Huber

# 5 Compensation, investments and loans

## 1 Content and method for determining compensation and participation programs

Details regarding the principles and elements of compensation and participation programs for current and former members of the Board of Directors and Management of the SKAN Group as well as the responsibility and method for their determination are provided in section 2 and 3 of the separate compensation report.

## 2 Rules in the Articles of Association

### 2.1 Rules in the Articles of Association concerning the principles governing performance-based compensation and the allocation of equity securities, conversion rights and option rights as well as the supplementary amount for the compensation of members of Management who are appointed after the vote of the general meeting on compensation

Details regarding performance-based compensation, e.g. the granting of participation instruments, conversion and option rights as well as the supplementary amount for the compensation of members of Management are provided in section 2 and 3 of the separate compensation report.

### 2.2 Rules in the Articles of Association concerning loans, credits and pension benefits to members of the Board of Directors and Management

Loans, credits and pension benefits to members of the Board of Directors and Management are shown in sections 3.2 and 3.4 of the separate compensation report.

### 2.3 Rules in the Articles of Association concerning the vote of the general meeting on compensation

Details regarding the rules on the vote of the general meeting on compensation are provided in Art. 20 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) and in section 2 of the separate compensation report.

# 6 Shareholders' participation rights

## 1 Voting rights restrictions and representation

Each shareholder who is registered in the share register on the day of the general meeting is entitled to participate and vote at the general shareholder meeting. Nominees have the same rights as the other shareholders provided that the conditions set out in section 2.6.3 of this report are met.

The Board of Directors may refuse to recognize a shareholder or beneficial owner with voting rights if the shareholder, together with his or her shares already registered as having voting rights, would exceed the threshold of 20% of all registered shares entered in the commercial register. With the remaining shares, the acquirer is entered in the share register as a shareholder or beneficiary without voting rights.

Joint acting shareholders linked by capital, voting power, management or otherwise, and all natural or legal persons or communities of persons acting in a coordinated manner by agreement, syndication or otherwise with a view to circumventing the percentage limit, shall be deemed to be one person.

The registration limitation applies subject to Art. 652b para. 3 and Art. 653c para. 3 CO also in the case of the acquisition of registered shares upon the exercise of subscription rights, options and conversion rights. The limitation does not apply to the acquisition of shares by inheritance, division of inheritance or matrimonial property law.

No exceptions were granted during the year under review.

Amending or removing voting right restrictions requires a resolution of the general meeting passed by at least 2/3 of the votes represented.

Shareholders may be represented at the general meeting by a third party who need not be a shareholder or by the independent proxy. A written power of attorney is required for representation. The Board of Directors determines the requirements for powers of attorney and instructions in detail, whereby it may also provide for electronic powers of attorney without a qualified electronic signature. The Board of Directors announces, at the latest in the invitation to the general meeting, the details and cut-off date for the granting

of written and electronic powers of attorney and instructions to the independent proxy. Elections and votes may be conducted electronically by resolution of the General Meeting or by order of the chairperson. The chairperson may at any time have an open ballot or election repeated by written and/or electronic ballot if, in his/her opinion, there is any doubt as to the result of the vote.

## 2 Quorums required by the articles of association

The general meeting passes its resolutions and carries out its elections by an absolute majority of the votes cast (excluding abstentions and invalid votes), unless otherwise required by the law.

In the event of an election undecided in the first ballot and more than one candidate standing for election, a second ballot will be held in which the relative majority decides.

A majority of at least 2/3 of the votes represented and of the absolute majority of the nominal value of shares represented is necessary to pass a resolution on the following agenda items:

- the modification of the Company's purpose;
- the introduction or cancellation of shares with preferential voting rights;
- the limitation of the transferability of registered shares and any change and the cancellation of such a limitation;
- the limitation of the exercising of the voting right, any change and the cancellation of such a limitation;
- an authorized or conditional capital increase;
- the capital increase from shareholders' equity, against a contribution in kind or for the purpose of acquiring assets and the granting of special privileges;
- the limitation or cancellation of the subscription right;
- the change of the Company's registered office;
- the dissolution of the Company;
- the delisting of equity securities; and
- the introduction of an arbitration clause in the Articles of Association.

The passing of resolutions on mergers, demergers and conversions is governed by the provisions of the Merger Act.

### 3 Convening the general meeting

The general meeting is convened by the Board of Directors at the latest 20 days before the day of the meeting through an announcement in the Swiss Official Gazette of Commerce. Meetings may also be convened through a letter or a means of electronic data transmission (incl. e-mail or fax) to all shareholders registered in the share register. The notice convening the meeting shall indicate, besides the date, time and place of the meeting, the agenda items as well as the proposals issued by the Board of Directors and shareholders who have requested the holding of a general meeting or the placing of an item on the agenda. No resolutions may be passed on items that have not been announced correspondingly; with the exception of requests to convene an extraordinary general meeting or to conduct a special audit.

### 4 Inclusion of items on the agenda

Shareholders who represent together at least 0.5% of the share capital or the votes may request the placing of an item on the agenda. This must take place in writing at least 45 days before the meeting by stating the agenda items and the proposals.

### 5 Entries in the share register

The Board of Directors announces, at the latest in the invitation to the general meeting, the cut-off date of the entry in the share register relevant for the right to attend and vote.

# 7 Change of control and defensive measures

## 1 Duty to make an offer

The obligation to make a public bid pursuant to Art. 135 FMIA (as amended) only exists if the threshold of 49% of the voting rights is exceeded (opting-up).

## 2 Clauses on change of control

There are no clauses on change of control in favour of the members of the Board of Directors, Management or other executives of the SKAN Group.

The Board of Directors may refuse to recognize a shareholder or beneficial owner with voting rights if the shareholder, together with his or her shares already registered as having voting rights, would exceed the threshold of 20% of all registered shares entered in the commercial register. With the remaining shares, the acquirer is entered in the share register as a shareholder or beneficiary without voting rights.

# 8 Statutory auditor

## 1 Duration of mandate and term of office of the auditor-in-charge

BDO AG has been the statutory auditor of SKAN Group AG and thus of SKAN Group since 2014. Bianca Knödler licensed audit expert has been auditor-in-charge since 2021. As defined in Art. 730a of the Swiss Code of Obligations (CO), the auditor-in-charge shall remain in office for a maximum of seven years and the statutory auditor shall be re-appointed each year for another year. Re-appointment is permitted.

## 2 Audit fees

The total audit fees charged by the statutory auditors in the year under review amounted to CHF 190'988. This includes the audit of the consolidated financial statements as well as the audit of all of the Group's material subsidiaries.

## 3 Additional fees

Tax advisory services and IPO related topics resulted in additional fees of CHF 209'909 for the audit firm in the year under review.

## 4 Information instruments of the statutory auditor

The statutory auditor reports in writing to the Board of Directors upon completion of the interim audit as well as upon completion of the final audit. If need be, the Board of Directors may approach the statutory auditor at any time and request information.

The Audit Committee supports the Board of Directors in its ultimate supervision of the statutory auditors. The powers and duties of the Audit Committee are set out in the Audit Committee Regulations, which can be found in Annex 3 to the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>.

In the year under review, the statutory auditor attended the first board meeting in January 2021 and one meeting of the Audit Committee in December 2021.

# Information policy

The SKAN Group communicates with and informs the shareholders, investors and the public in a transparent, prompt and open manner. In this respect, various information channels are available.

Notices of SKAN Group AG to the shareholders are made in the organ of publication, the Swiss Official Gazette of Commerce. In addition, notices may be given by letter or electronic data transmission (incl. e-mail or fax) to the addresses recorded in the share register, provided that their names and addresses are known.

## The following information events are scheduled:

- Presentation of the year-end results (5th April 2022): a management report is published, a press and analyst conference is held
- General shareholder meeting of the SKAN Group (4th May 2022)
- Presentation of the mid-year results (23rd August 2022): a management report is published, a press and analyst conference is held

The financial calendar is available online under the following link: <https://ir.skan.com/websites/skan/English/8000/investor-calendar.html>

Apart from the above-mentioned information events, the SKAN Group provides information during the year on significant events through press releases and shareholder letters. According to SIX Swiss Exchange AG, all SIX-listed companies are subject to the ad-hoc publication rules of the SIX Exchange Regulation.

## Other sources of information:

- Website <http://www.skan.com/>. Information publicly available at all times on the key facts and figures of the SKAN Group.
- Events <https://ir.skan.com/websites/skan/English/8000/investor-calendar.html>. All relevant events are published here (general shareholder meeting, press conferences, etc.)
- E-Mail Update Service <https://ir.skan.com/websites/skan/English/9000/skan-investor-relations.html>. Interested parties may register free-of-charge for the E-Mail Update Service.
- Press releases <https://ir.skan.com/websites/skan/English/5000/press-releases.html>. All published press releases are also made available simultaneously on SKAN's website.

## Contact details:

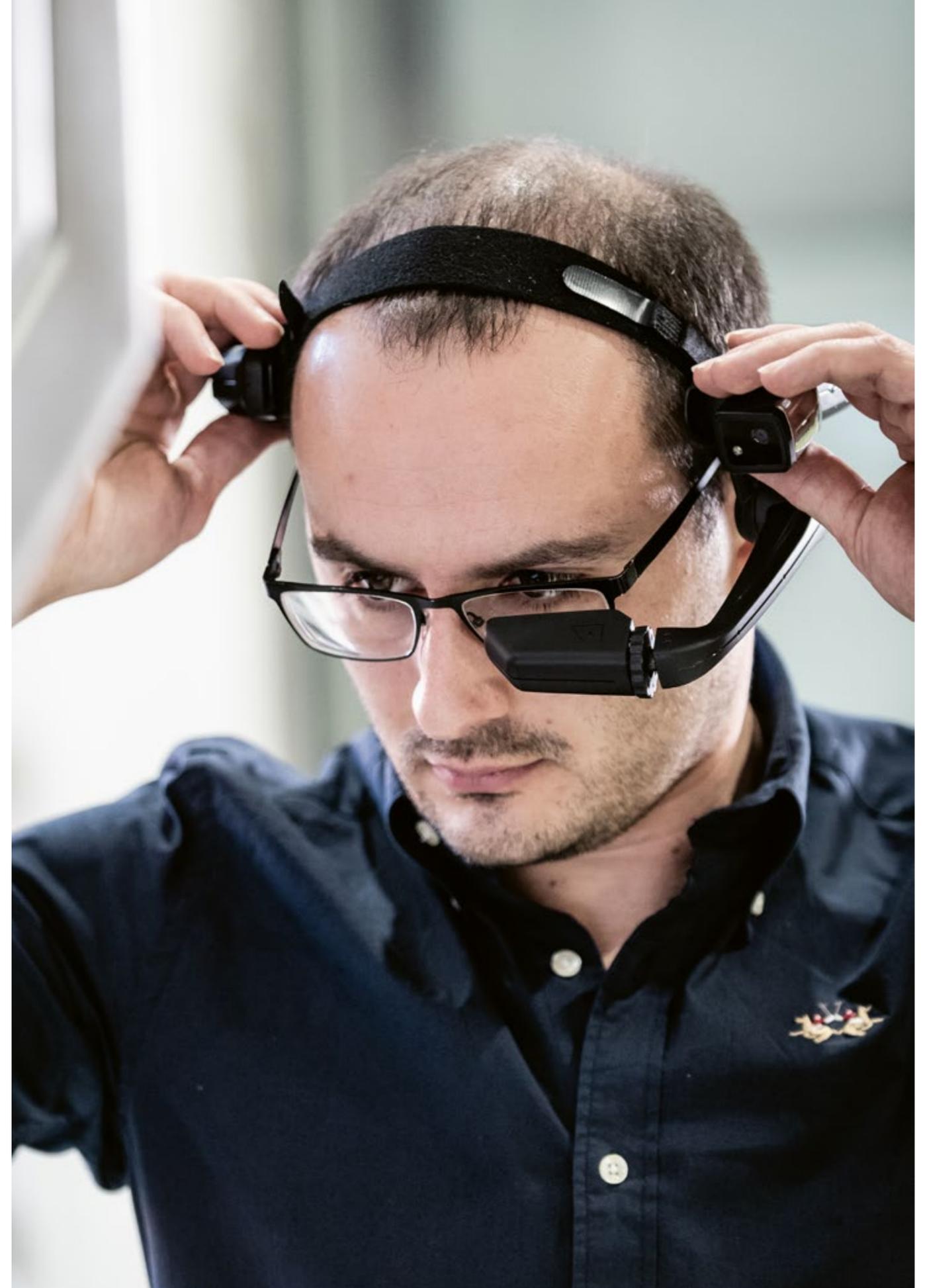
SKAN Group AG  
Investor Relations  
Kreuzstrasse 5  
4123 Allschwil  
Tel +41 43 268 32 32  
Mail [ir@skan.com](mailto:ir@skan.com)

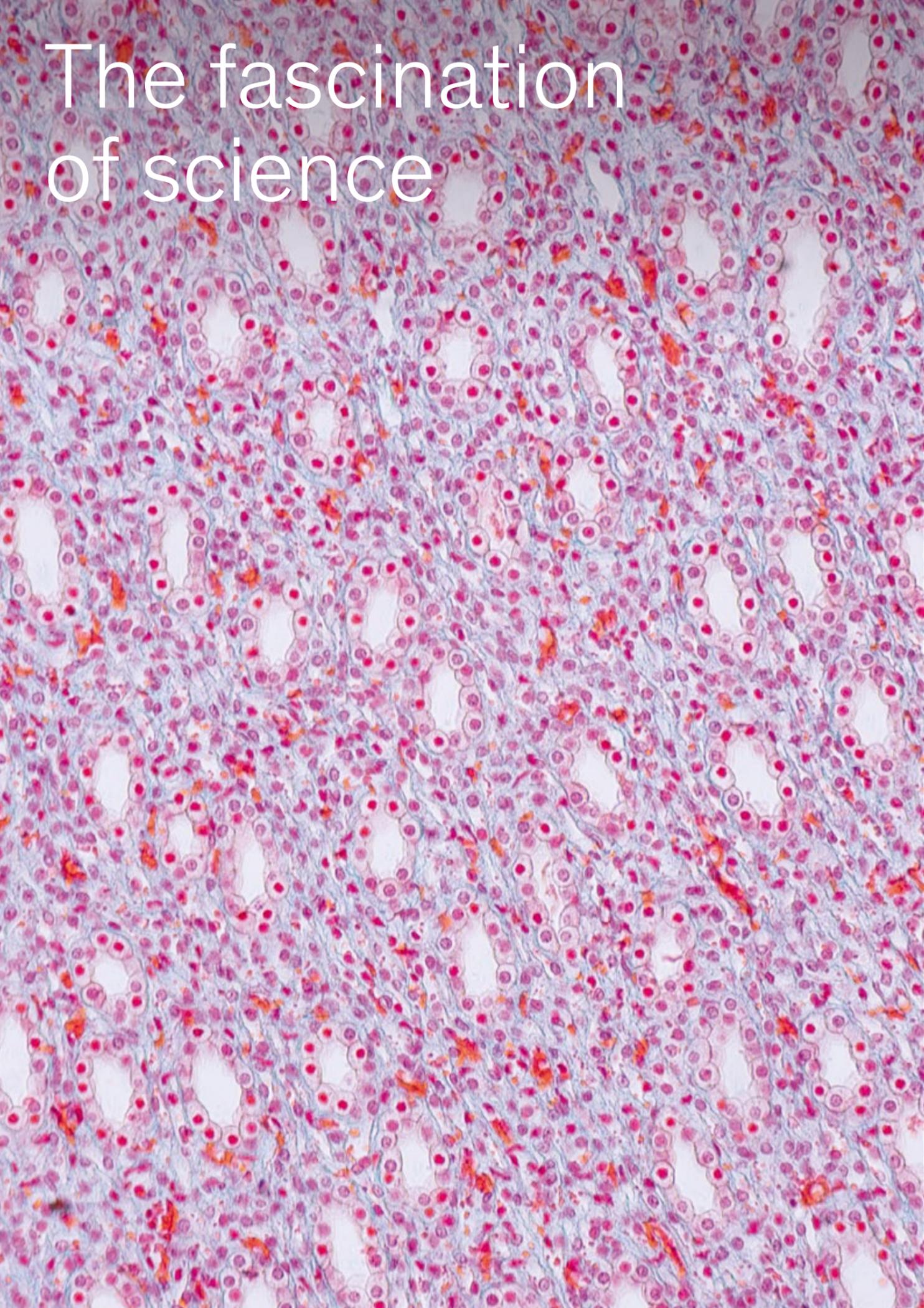
# Blackout Periods

SKAN Group AG has defined general blackout periods for trading in SKAN Group AG's shares; any other securities issued by the Company, including standardized certificated or uncertificated securities, derivatives and book entry securities, which are suitable for mass trading and which are admitted for trading on SIX or another trading venue in Switzerland (for example SIX-listed bonds); and any derivatives and other financial instruments derived from any of these securities, including any option or conversion rights or any other financial instruments whose price is materially dependent on the shares of the Company. The general blackout periods apply to employees of the SKAN Group as well as their auxiliary persons (e.g. consultants, auditors) and the Board of Directors and last from 1 June for the half-year financial statements and from 1 December for the full-year financials until the trading day after the publication of the relevant financial statements.

## Material changes since the balance sheet date

No significant events occurred after the balance sheet date of 31.12.2021.

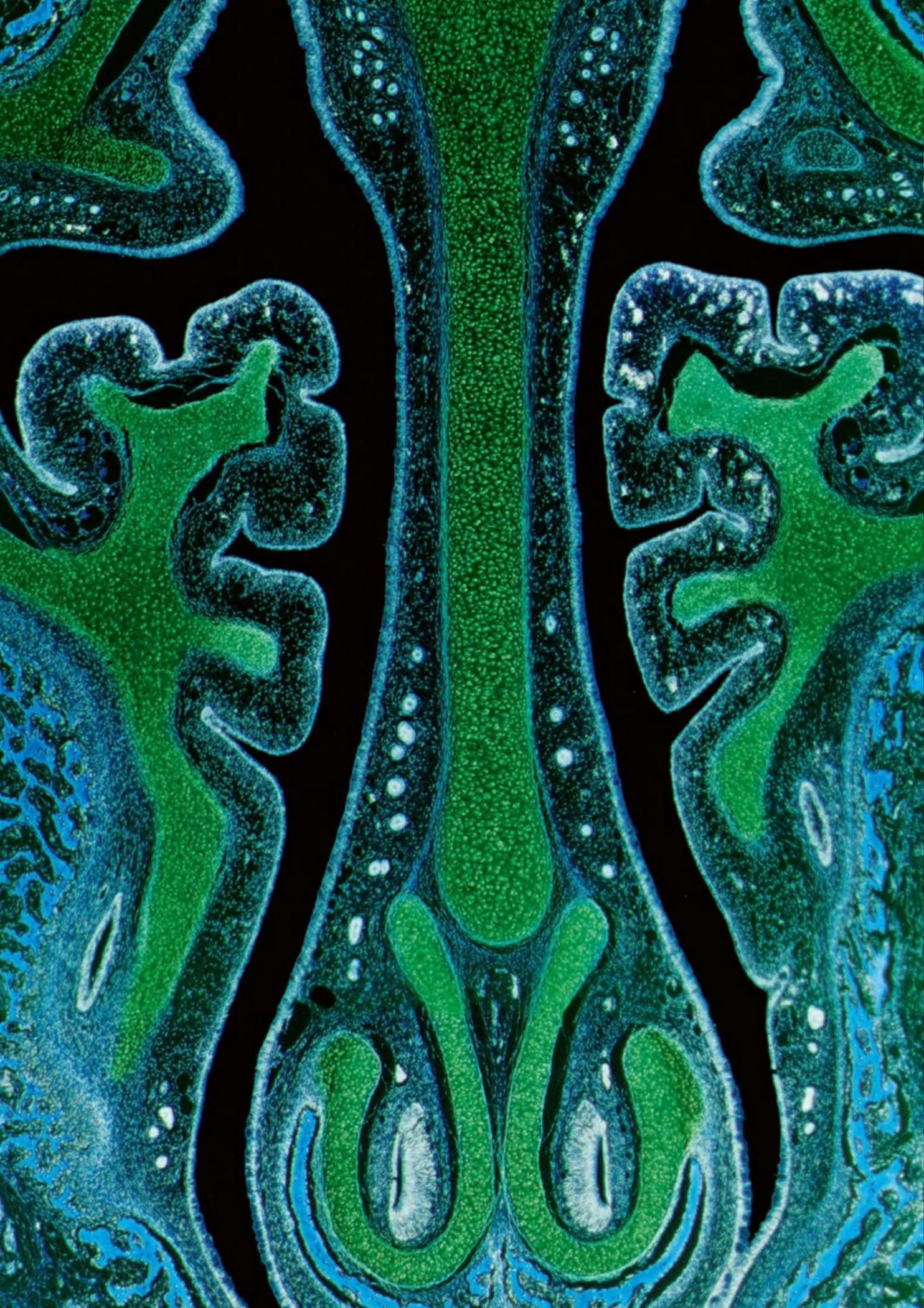


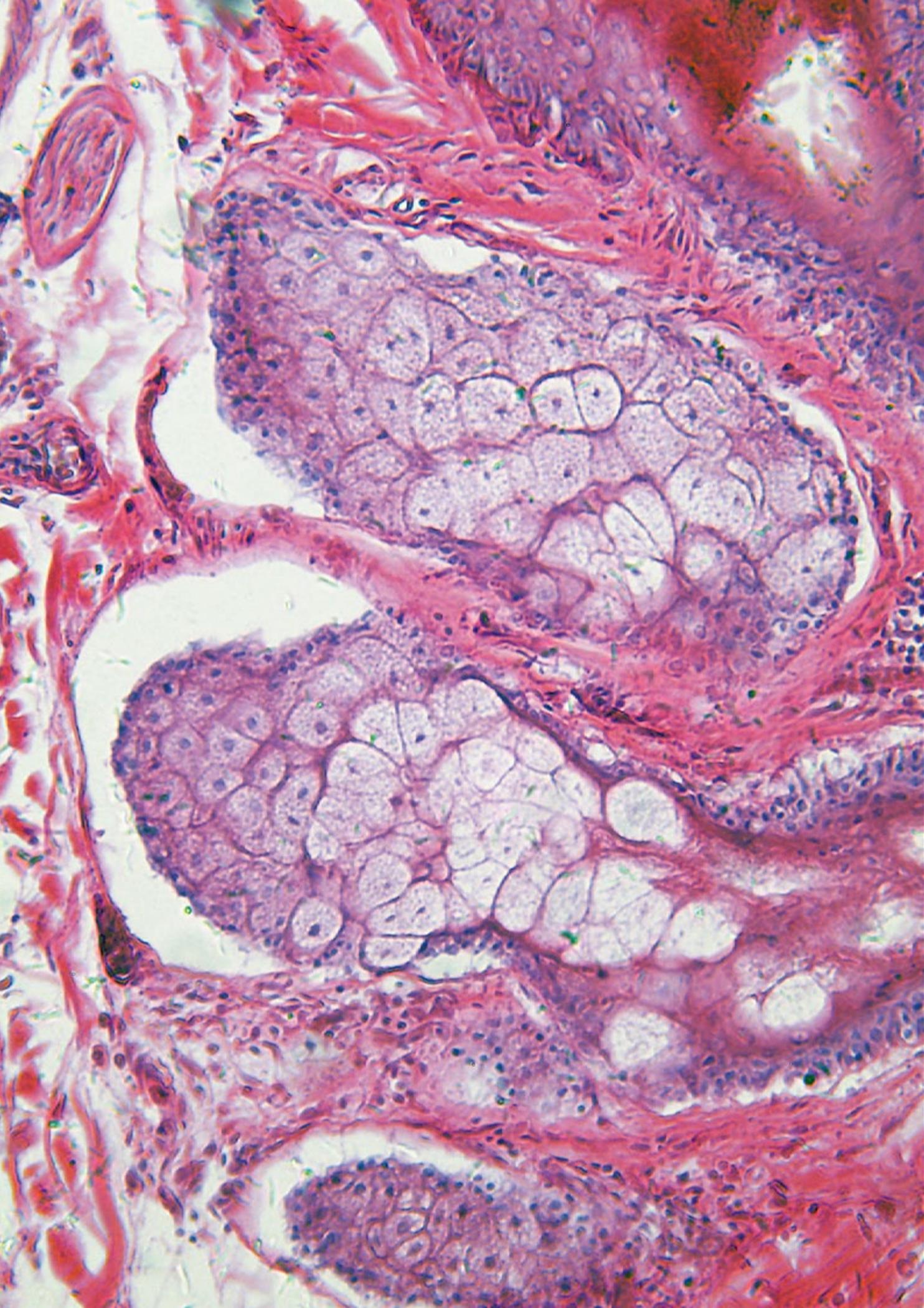


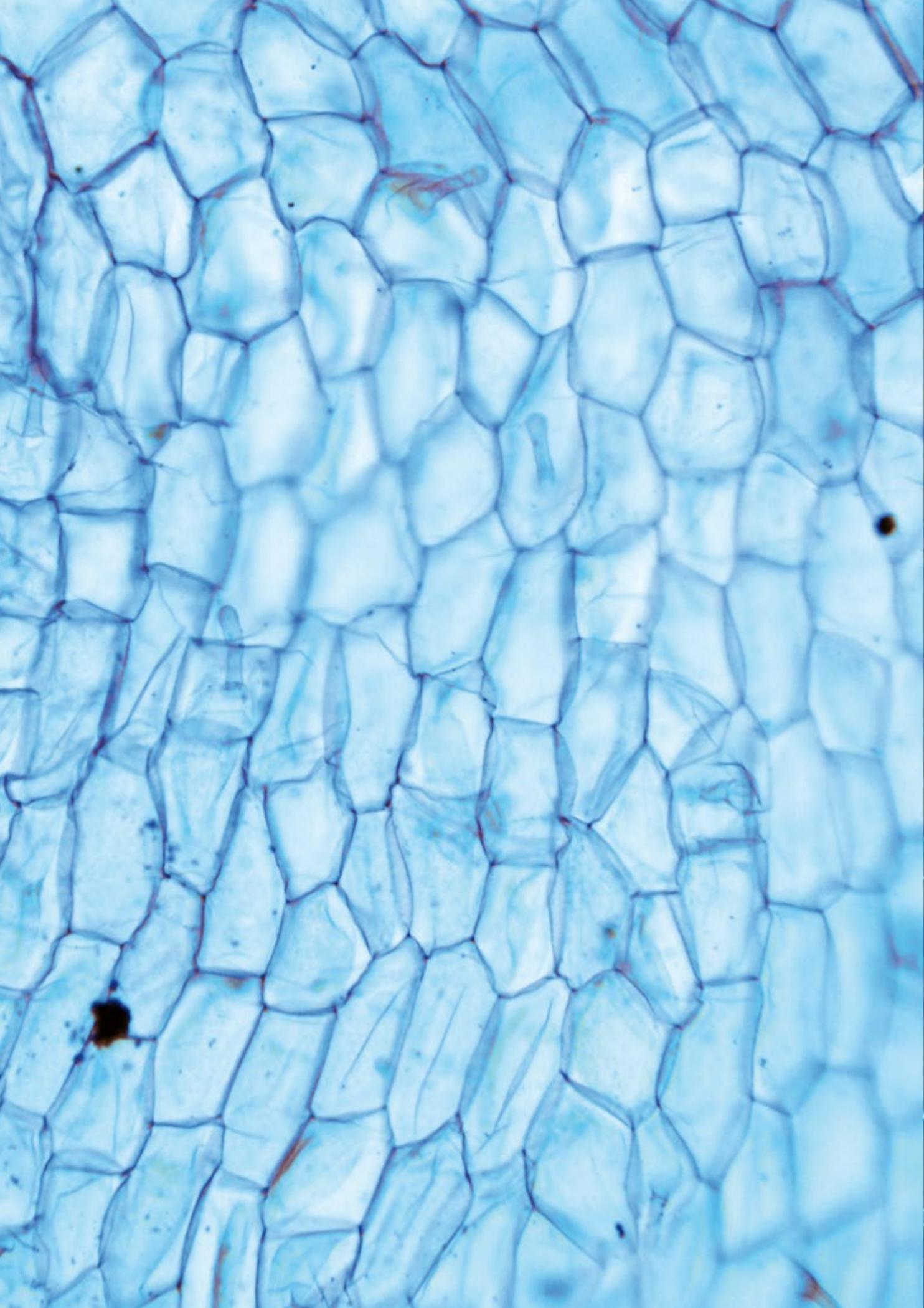
The fascination  
of science

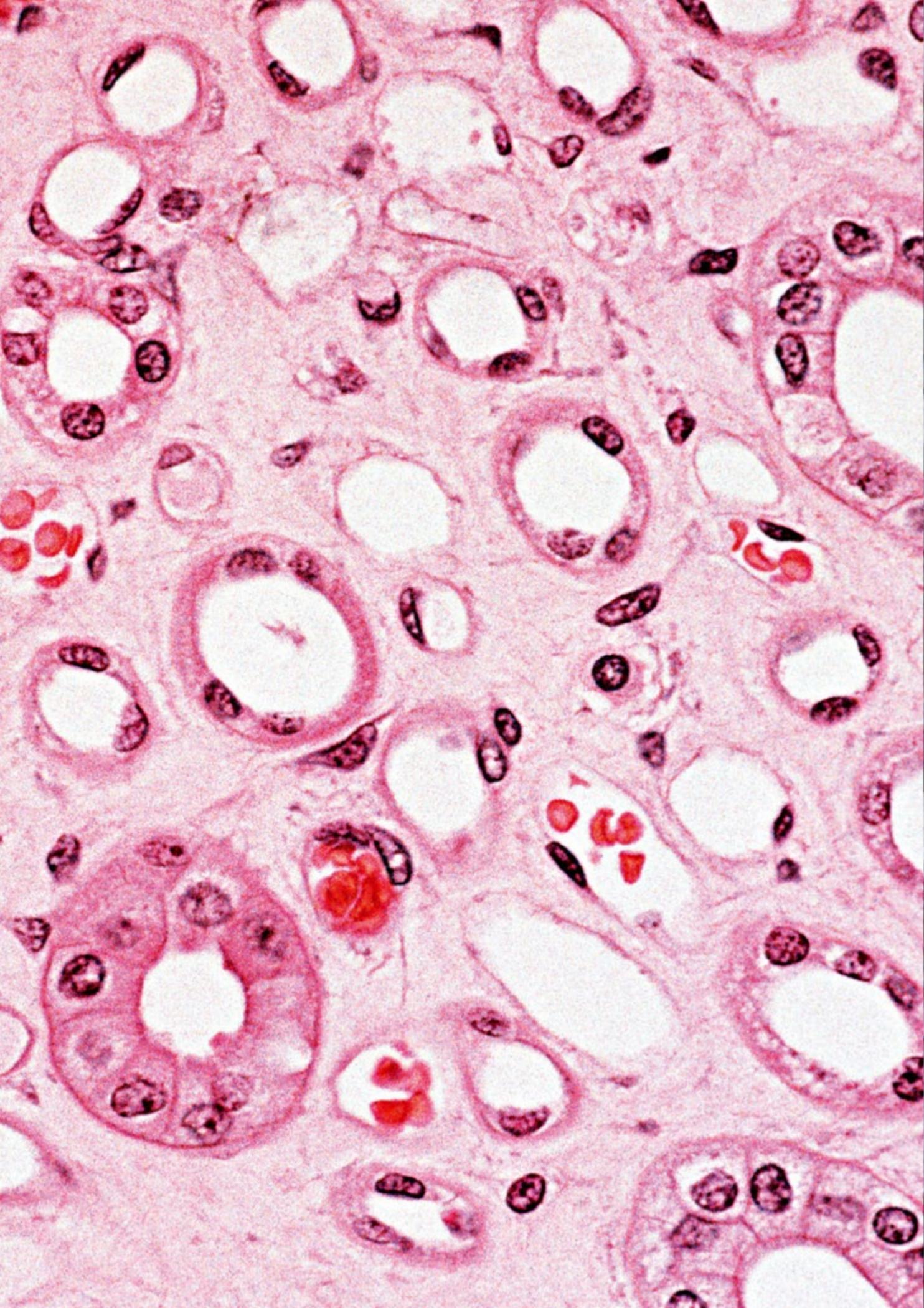


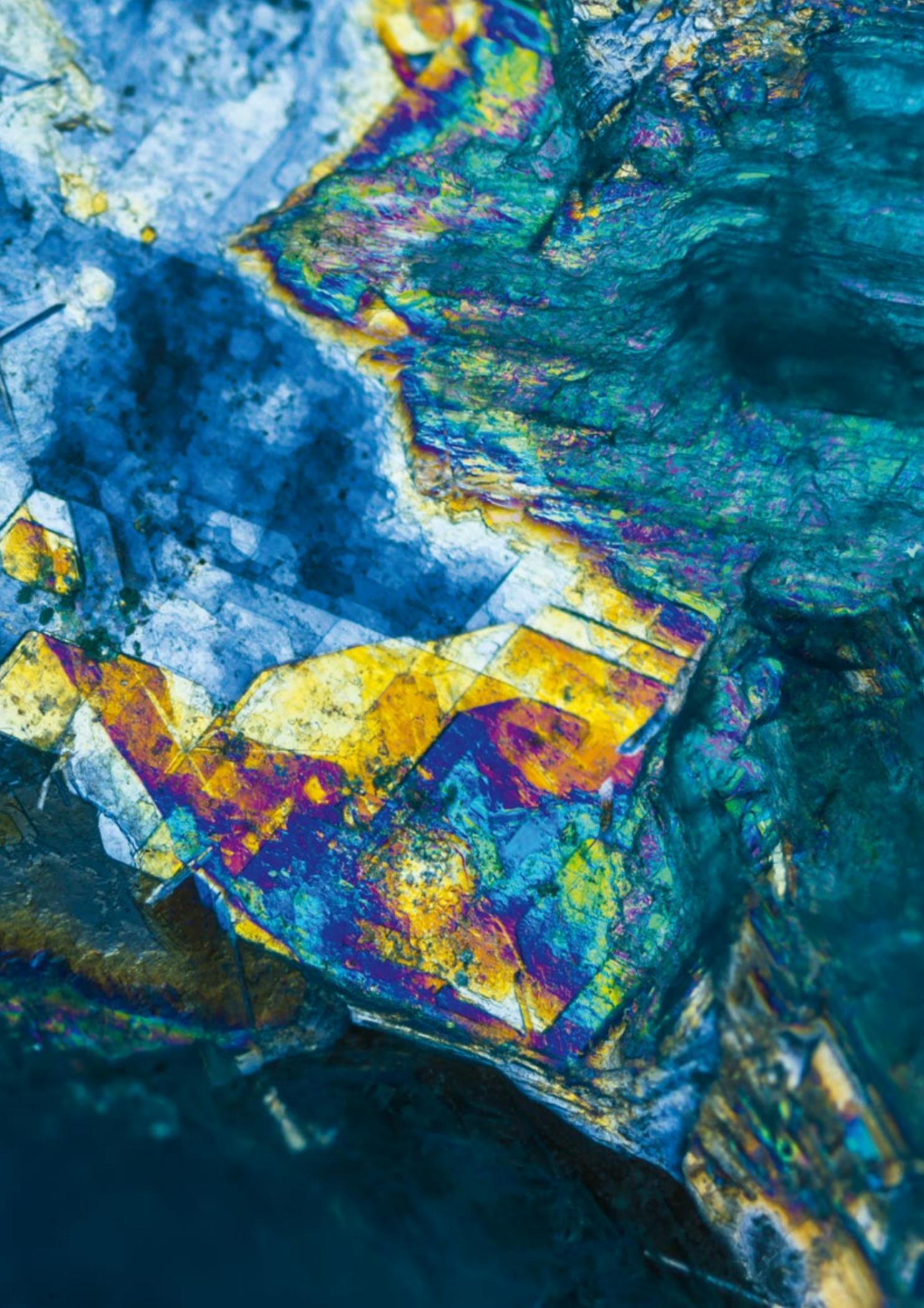
The fascination  
of life

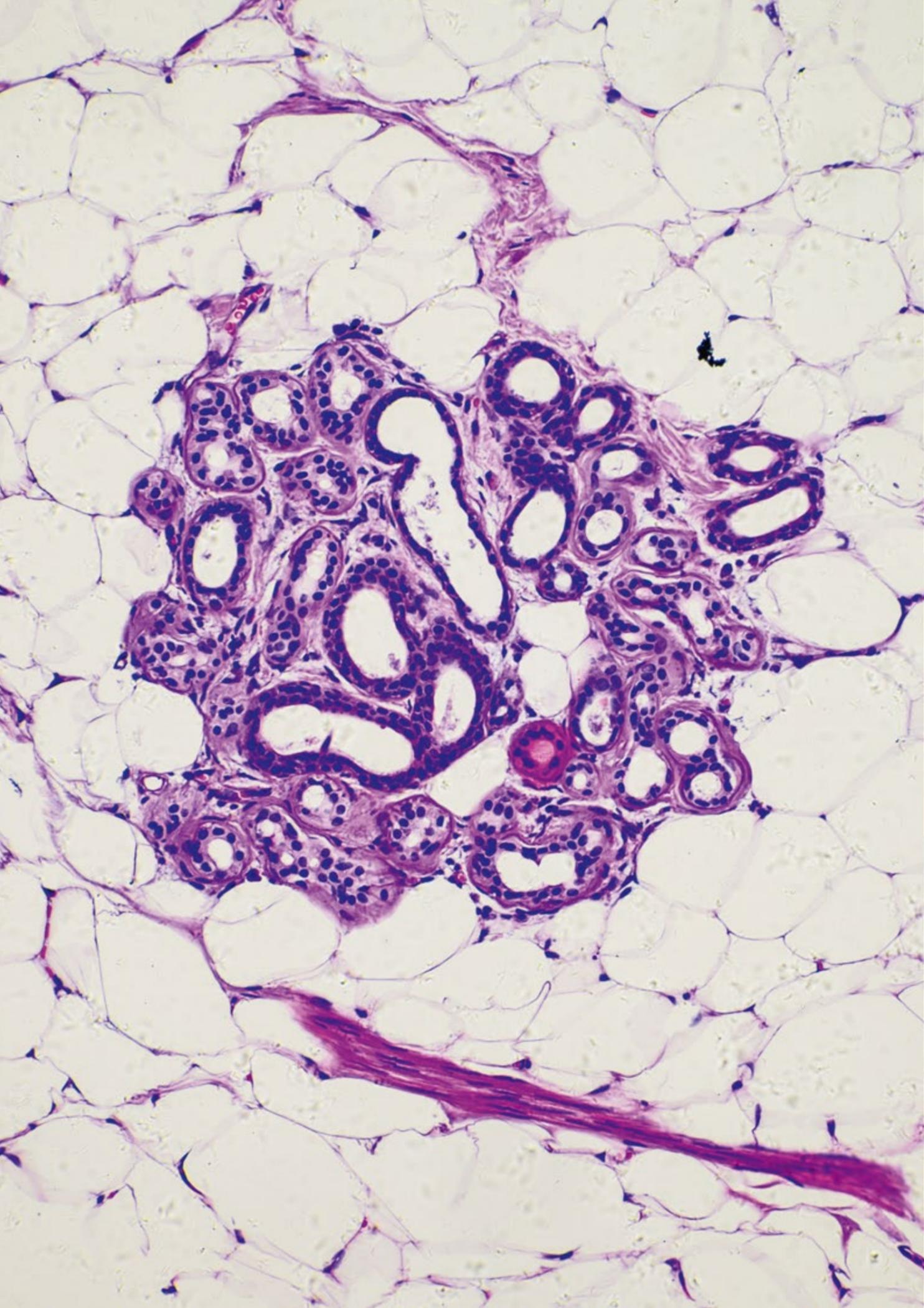


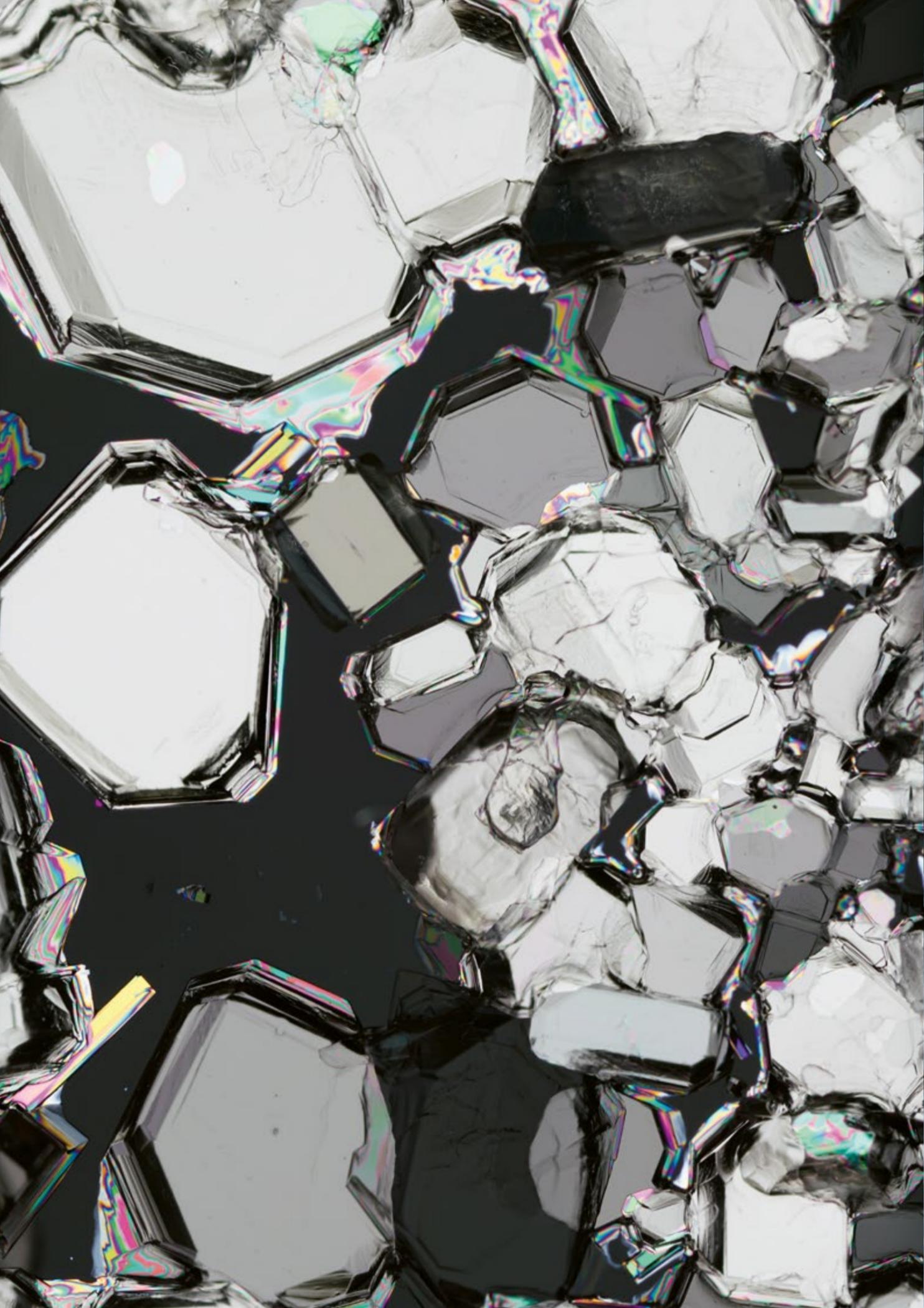


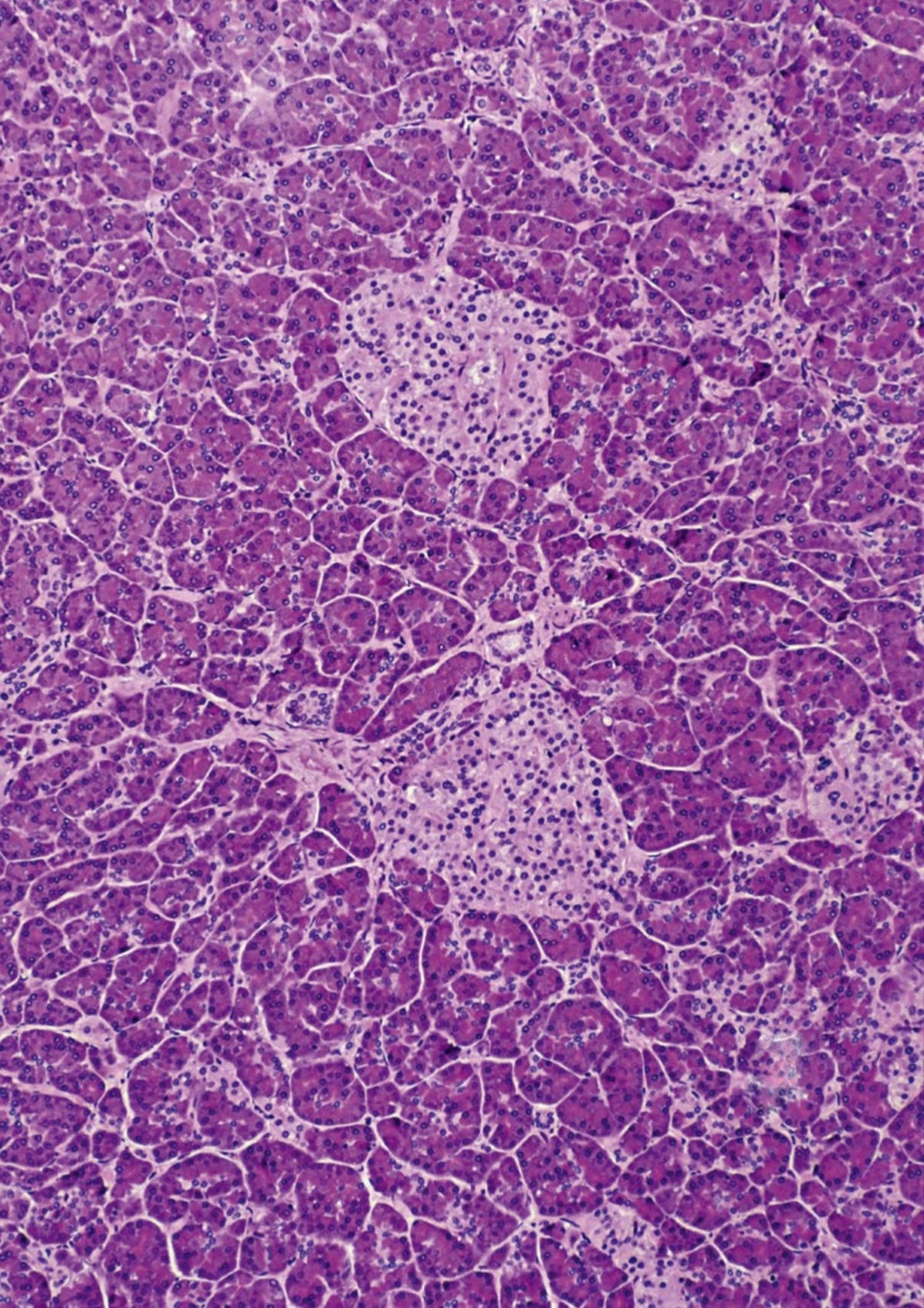












From the delicate, smallest particles of the organism to the powerful phenomena of nature. The complex interrelationships of our lives never cease to amaze us. And the deeper our insights become, the stronger this fascination for life grows. As a link between these worlds. As a catalyst for progress and new insights. We make it our most important task to protect and preserve this life. For a better future. For a better life. SKAN.

# Compensation Report

The compensation report of SKAN Group AG provides an overview of the compensation policy, the compensation governance as well as the compensation principles and elements of SKAN Group AG. Furthermore, the report discloses the compensation of the members of the company's board of directors (**Board of Directors**) and the executive management (**Executive Management**) for the 2021 financial year and shows the shareholdings of these persons in SKAN Group AG as per 31 December 2021. The report is compliant with the provisions of the Ordinance against Excessive Compensation in Listed Stock Corporations, SR 221.331 (**OaEC**), the SIX Swiss Exchange (**SIX**) Directive on Information Relating to Corporate Governance (**DCG**), as well as the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse (**SCBP**).



# Compensation policy

SKAN Group AG's compensation policy aims to align the interests of the members of the Board of Directors and Executive Management with those of the company and its shareholders. Accordingly, the compensation is designed to attract, promote and retain highly qualified executives and specialists in order to ensure competitiveness and long-term success of the company. To reach such goals the Board of Directors has opted for a compensation system that is characterized by fairness, transparency and simplicity. Consistent with these basic principles, SKAN Group AG rewards outstanding performance appropriately and in line with market practice, while at the same time focusing on sustainable and long-term value creation.

# 1 Compensation governance

## 1 Rules regarding compensation in the articles of association

The articles of association of SKAN Group AG (Articles of Association) [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) contain, among others, the following provisions regarding compensation required by the OaEC:

- the approval of the maximum total amounts of compensation to the Board of Directors and the Executive Management by the company's general meeting (**General Meeting**) (Art. 20 para. 1),
- the details of the further procedure in the event of a rejection of the maximum total amounts of compensation by the General Meeting (Art. 20 para. 7),
- the principles applicable to performance-related compensation and to the allocation of equity securities, convertible rights and options (Article 20 para. 2, 3 and 10),
- the additional amount for payments to members of the Executive Management appointed after the approval of the maximum total amount of compensation of the Executive Management (Article 20 para. 4 and 5),
- the maximum duration or notice period of the agreements underlying the compensation for the members of the of the Board of Directors and the Executive Management (Art. 20 para. 9),
- the composition and tasks of the Nomination and Compensation Committee (**NCC**) (Article 21).

## 2 Involvement of shareholders

The Board of Directors submits three compensation-related proposals to the General Meeting for approval, namely:

- on a consultative vote for the compensation report of the preceding financial year;
- on the maximum aggregate amount of compensation of the Board of Directors for the following financial year;
- on the maximum aggregate amount of compensation of the Executive Management for the following financial year.

### 3 Nomination and Compensation Committee (NCC)

The NCC deals with the compensation strategy and the performance goals and criteria of the company. In particular, it supports the Board of Directors in determining and evaluating the compensation system and the compensation principles and in preparing the proposals to the General Meeting for approval of the compensation in accordance with Article 20 of the Articles of Association. The committee prepares the relevant resolutions and submits proposals to the Board of Directors. The ultimate responsibility for the powers and tasks assigned to the NCC thus remains with the Board of Directors. The individual powers and tasks of the NCC in the area of compensation are set out in Section 1 of the annex 2 of the company's organisational regulations (Organisational Regulations).

Further details on the NCC can be found in Section 3.5.3, p. 83 of the Corporate Governance Report.

### 4 Compensation determination process

The Board of Directors determines annually the compensation of its members upon proposal of the NCC and within the limits of the maximum total amount approved by the General Meeting.

The compensation of the members of the Executive Management is determined each year – within the limits of the maximum total amount approved by the General Meeting – by the Board of Directors based on a proposal of the NCC, which proposal in turn is based on a motion of the CEO concerning the other members of the Executive Management (regarding the compensation of the CEO, the NCC submits a proposal directly to the Board of Directors).

Specifically, the NCC recommends to the Board of Directors the performance metrics applicable to the CEO, assesses the CEO's performance during the relevant period based on these metrics and proposes to the Board of Directors the compensation for the CEO based on this assessment. The performance metrics applicable to the other members of the Executive Management are determined by the CEO. The NCC, taking into account the recommendations of the CEO, reviews and recommends to the Board of Directors the individual compensation of the other members of the Executive Management based on the assessment made by the CEO.

The impact, attractiveness and competitiveness of the compensation programmes for the members of the Executive Management are reviewed at least biennially. An overview over the decision-making powers regarding the compensation of the members of the Board of Directors and the Executive Committee is set out in the table on the right:

Topic	CEO	NCC	Board of Directors	General meeting
Compensation strategy		prepares/proposes	decides	
Compensation guidelines and programmes		prepares/proposes	decides	
Performance goals and criteria of the group		prepares/proposes	decides	
Maximum aggregate compensation amounts of Board of Directors and Executive Management		prepares	reviews/proposes	decides
Individual compensation of members of Board of Directors		prepares/proposes	decides	
Performance metrics and goals applicable to CEO		prepares/proposes	decides	
Performance assessment of CEO		decides		
Individual compensation of CEO		prepares/proposes	decides	
Definition of performance metrics and goals applicable to members of Executive Management except CEO	decides			
Performance assessment of members of Executive Management except CEO	decides			
Individual compensation of members of Executive Management except CEO	proposes	reviews/proposes	decides	
Compensation report	prepares	reviews/proposes	decides	

The Chairman of the NCC reports to the Board of Directors at board meetings on its activities and matters within its area of responsibility. Moreover, the minutes of the meetings of the NCC are sent to all members of the Board of Directors.

As a rule, the members of the NCC and the Board of Directors attend and vote at the meetings at which their

own compensation is discussed and decided. However, the Chairman of the Board of Directors and the Chairman of the NCC do not attend the meetings of the NCC at which their own compensation is discussed and proposals to the Board of Directors are decided.

# 2 Compensation principles and elements

## 1 Board of Directors

### 1.1 Members newly elected on 4 October 2021

The members of the Board of Directors newly elected on 4 October 2021 receive a fixed lump-sum compensation. The Board of Directors determines the amount upon proposal of the NCC at its own discretion. For its proposal the NCC takes into account the responsibilities and functions of the members. The chairmanship of the Board of Directors as well as the membership and the chairmanship in committees are additionally compensated.

The following table shows an overview of the compensation for the individual functions within the Board of Directors, valid as from the AGM 2021:

Function	Compensation per year of office in CHF
Board membership (basic fee)	35'000
Board chairmanship	25'000
Committee membership	7'500
Committee chairmanship	15'000

The board and committee fees also cover all expenses of the members of the Board of Directors. There is no additional reimbursement of expenses. The compensation of the members of the Board of Directors is paid 100% in cash. Payment is made annually in arrears.

For the compensation of the Board of Directors, the company pays the compulsory social insurance contributions to the Old-age and survivors' insurance (AHV) and Unemployment insurance (ALV). No contributions to pension funds are made.

### 1.2 Members who resigned as per 4 October 2021

The compensation awarded to the members of Board of Directors in office during the listing of the shares of the company under the name of BV Holding AG on BX for the time period between 1 January 2021 and their resignation as per 4 October 2021 consisted of a fixed lumpsum in

cash of CHF 15'000 for the members and CHF 40'000 for the chairman as well as meeting attendance fee of CHF 250 per meeting and the mandatory social security contributions (see Section 3.1 below).

Additionally, the compensation for the time period between 1 January 2020 and 31 December 2020 contained a fixed lump-sum compensation in cash of CHF 15'000 for the members and CHF 40'000 for the chairman and a cash profit-sharing bonus in the amount of 1.25% of the audited annual result in accordance with IFRS guidelines, as well as meeting attendance fees of CHF 250 per meeting and the mandatory social security contributions (see Section 3.1 below).

## 2 Executive Management

### 2.1 Members as per 4 October 2021

The compensation of the ten members of the executive management of the company's wholly owned subsidiary SKAN Holding AG, who became members of the Executive Management as per 4 October 2021, consists of the basic compensation (salary) and a variable salary, both in cash.

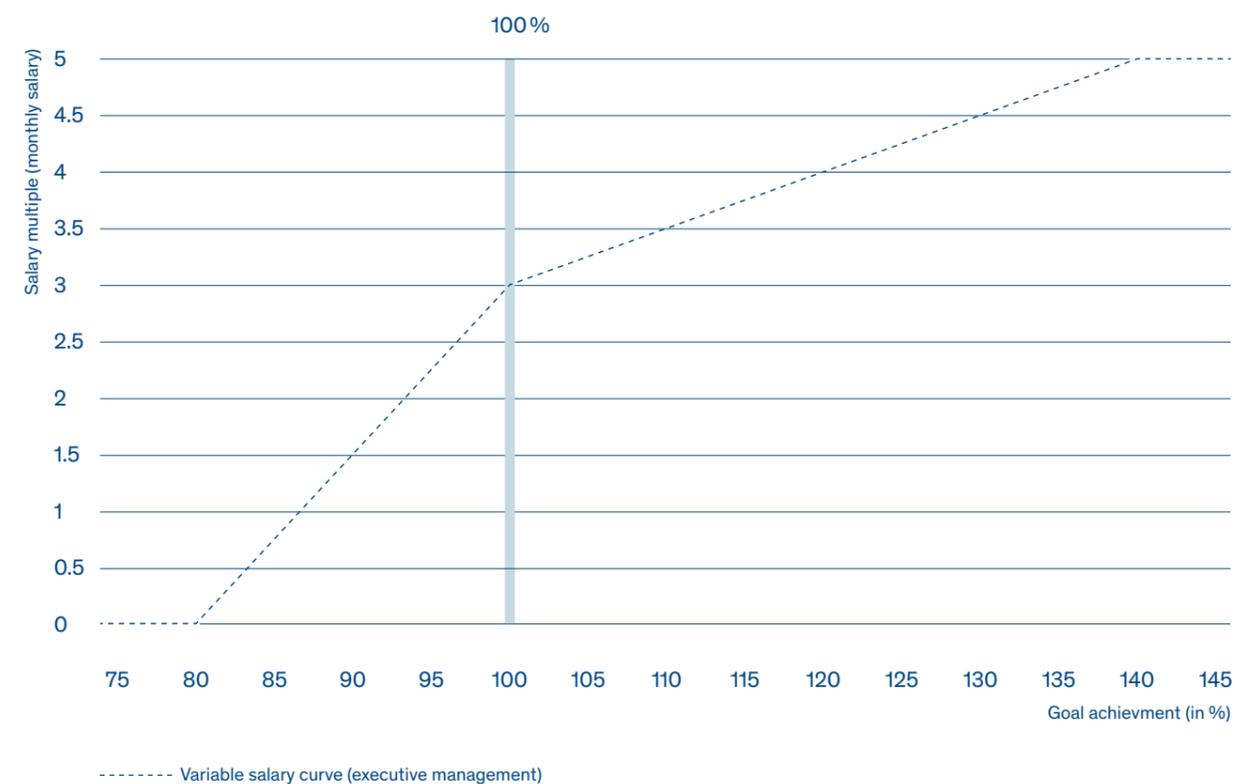
The variable salary is limited to 5 times the monthly salary which is paid out 13 times a year. The amount of the individual basic compensation (salary) is determined by the Board of Directors at its discretion (based on proposals of the NCC, which proposal in turn is based on a corresponding motion of the CEO concerning the other members of the Executive Management). For their proposals to the Board of Directors, the NCC and the CEO, respectively, take into account market practice, the responsibility and performance of each member. The basic compensation (salary) is paid out in thirteen instalments, whereof twelve instalments at the end of each month and one additional instalment in November.

For the determination of the variable salary the financial performance of the company and the average personal performance of all employees eligible for a variable salary during the performance period (i.e. the previous financial year) are assessed against the relevant performance goals. The performance goals relevant for the following financial year and their weighting are proposed each year in the 4th quarter by the NCC to the Board of Directors for approval (with regard to the CEO) and determined by the CEO respectively (with regard to the other members of the Executive management). The financial goal based on the EBIT is weighted at 70% and the personal goal at 30%. For the personal goal, the

average goal achievement for all variable salary eligible employees determines the relevant goal achievement level for each individual Executive Management member (incl. CEO). The bonus limit is with 140%/five times the monthly salary.

The variable salary is paid out upon approval of the annual financial statements by the annual General Meeting. The following chart gives an overview over the mechanics of the variable salary.

## Mechanics of variable salary



## 3 Compensation 2021

For the compensation of members of the Executive Management (incl. the CEO) the company pays the compulsory social insurance contributions. The members (incl. the CEO) are covered by the company's pension plan for the Executive Management.

### 2.2 Only member resigning as per 4 October 2021

The compensation to the only member of the Executive Management during the listing of the shares of the company under the name of BV Holding AG on BX for the time period between 1 January 2021 and his resignation as per 4 October 2021 consisted of a fixed salary, a bonus, a lump-sum expense allowance and the compulsory social security contributions, all in cash.

### 1 Compensation to the Board of Directors

The following table shows the compensation awarded to the members of the Board of Directors for 2021 and the pre-

vious financial year as applicable (incl. the members in office during the listing of the shares of the company under the name of BV Holding AG on BX, who resigned as per 4 October 2021:

2021	Fixed compensation*	Social security contribution	Total compensation
In CHF			
<b>In office since 4 October 2021</b>			
Dr. Gert Thoenen, Chairman and member of NCC	15'405	2'107	17'512
Oliver Baumann, member and member of NCC	9'700	1'326	11'026
Cornelia Gehrig, member and chairwoman of AC <sup>1</sup>	12'192	0	12'192
Thomas Huber, member	8'039	990	9'029
Dr. Beat Lüthi, member and chairman of NCC	11'411	1'561	12'972
Gregor Plattner, member and member of AC and NCC	9'700	1'326	11'026
Patrick Schär, member and member of AC <sup>2</sup>	9'700	1'326	11'026
<b>In office until 4 October 2021</b>			
Ernst Balmer, Chairman	40'750	3'268	44'018
Dr. h.c. Willy Michel, member	15'750	0	15'750
Dr. Rubino Mordasini, member	15'750	0	15'750
Thomas Plattner, member	15'750	0	15'750
<b>Total members newly elected on 4 October 2021</b>	<b>76'147</b>	<b>8'637</b>	<b>84'784</b>
<b>Total members resigned on 4 October 2021</b>	<b>88'000</b>	<b>3'268</b>	<b>91'268</b>
<b>Total</b>	<b>164'147</b>	<b>11'905</b>	<b>176'052</b>

\* incl. meeting attendance fees for members who resigned as per 4 October 2021

<sup>1</sup> Board compensation is invoiced through the GmbH of Cornelia Gehrig. No Social security deduction is made.

<sup>2</sup> The table shows only the compensation to Mr Patrick Schär in 2021 in his function as member of the Board of Directors. He was only member of the Executive Management during the listing of the shares of the company under the name of BV Holding AG on BX until 4 October 2021. The compensation for this function is shown in the table under Section 3.3.



## 2020

In CHF	Fixed compensation *	Profit share	Social security contribution	Total compensation
<b>In office until 4 October 2021</b>				
Ernst Balmer, Chairman	86'000 <sup>3</sup>	33'349	8'274 <sup>4</sup>	127'623
Dr. h.c. Willy Michel, Member	15'750	33'349	0	49'099
Dr. Rubino Mordasini, Member	16'000	33'349	4'438	53'787
Thomas Plattner, Member	36'000 <sup>5</sup>	33'349	4'438	73'787
<b>Total</b>	<b>153'750</b>	<b>133'396</b>	<b>17'150</b>	<b>304'296</b>

\* incl. meeting attendance fees for members who resigned as per 4 October 2021

<sup>3</sup> Whereof CHF 45'000 fees for board memberships in portfolio companies of BV Holding AG.

<sup>4</sup> Whereof CHF 433 relating to the fees for board memberships in portfolio companies of BV Holding AG.

<sup>5</sup> Whereof CHF 20'000 fees for a board membership in a portfolio company of BV Holding AG.

Compensation has decreased by CHF 128'244 compared to the previous year due to lower annual compensation.

The annual General Meeting of 31 March 2020 – under the name of BV Holding AG – approved the maximum amount of compensation of CHF 400'000 for the Board of Directors for the business year 2021. The compensation awarded to Messrs. Balmer, Michel, Mordasini and Plattner, all of them resigned as of 4 October 2021, is within this limit.

The extraordinary General Meeting of 4 October 2021 approved the maximum aggregate amount of compensation of CHF 400'000 for the Board of Directors for the time period between 4 October 2021 and the annual General Meeting of 4 May 2022.

Reconciliation between the reported Board compensation and the amount approved by the AGM:

### Compensation Board of Directors

	Compensation in financial year 2021 (since 4.10.2021)	Plus compensation between 1.1.2022 until AGM 2022	Compensation in period between 4.10.2021 and AGM 2022	Maximum amount approved at the EGM on 4.10.2021 for compensation until AGM 2022	Relation between compensation awarded and compensation approved
	(A)	(B)	(A) + (B)		
	4.10.2021–31.12.2021	1.1.2022–AGM 2022	4.10.2021–AGM 2022		
<b>Total in CHF and Percentage, respectively</b>	<b>84'784</b>	<b>118'126</b>	<b>202'910</b>	<b>400'000</b>	<b>50.7%</b>

### 2 Additional Information on Compensation to the Board of Directors

The Company does not grant loans or credits to current or former members of the Board of Directors or persons closely related to them. Accordingly, no such loans or credits were outstanding on 31 December 2021.

In the 2021 financial year, no compensation was awarded to former members of the Board of Directors or persons closely related to current or former members of the Board of Directors.

### 3 Compensation to the Executive Management

The following table shows the compensation awarded to the highest paid member and the remaining members of the Executive Management for 2021 and the previous year as applicable (incl. the only executive manager during the listing of the shares of the company under the name of BV Holding AG on BX who resigned as per 4 October 2021):

#### 2021

In CHF	Fixed basic compensation (salary)	Variable bonus	Other benefits <sup>6</sup>	Social security contribution	Total compensation
Patrick Schär, CEO until 4 October 2021 <sup>7</sup>	191'886	120'933	15'843	66'800	395'462
All other members of Executive Management, i.e. ten members of the executive management of the company's wholly owned subsidiary SKAN Holding AG, who became members of the Executive Management as of 4 October 2021	511'915	142'392	54'497	286'648	995'452
<b>Total</b>	<b>703'801</b>	<b>263'325</b>	<b>70'340</b>	<b>353'448</b>	<b>1'390'914</b>

#### 2020

In CHF	Fixed basic compensation (salary)	Variable bonus	Other benefits <sup>6</sup>	Social security contribution	Total compensation
Patrick Schär, CEO and only member of Executive Management	212'940	40'000	45'780	39'971	338'691
<b>Total</b>	<b>212'940</b>	<b>40'000</b>	<b>45'780</b>	<b>39'971</b>	<b>338'691</b>

<sup>6</sup> Other benefits comprise a car allowance and if eligible a seniority gift. In case of the individuals who became members of the Executive Management as of 4 October 2021 – a fuel card and lump-sum compensation is included as well.

<sup>7</sup> Highest paid member of Executive Management in 2021. Fixed basic compensation is shown net (without social security contribution) in 2021.

Compensation has increased by CHF 1'052'223 compared to the previous year due to the fact that ten members of the executive management of the company's wholly owned subsidiary SKAN Holding AG became members of the Executive Management as per 4 October 2021.

The variable bonus of the CEO (Thomas Huber) and the other members of the Executive Management in the financial year 2021 amounted to 25.6% of the fixed compensation.

The annual General Meeting of 31 March 2020 – under the name of BV Holding AG – approved the maximum amount of compensation of CHF 400'000 for the Executive Management for the business year 2021. The compensation awarded to Mr Patrick Schär, only member of the Executive Management until 4 October 2021, is within this limit.

The extraordinary General Meeting of 4 October 2021 approved the maximum aggregate amount of compensation of CHF 1'800'000 for the Executive Management for the period between 4 October 2021 and 31 December 2021. The compensation awarded until 31 December 2021 to the members of the Executive Management who became members as of 4 October 2021 is within this limit.

### 4 Additional Information on Compensation to the Executive Management

The company does not grant loans or credits to current or former members of the Executive Management or persons closely related to them. Accordingly, no such loans or credits were outstanding on 31 December 2021.

In the 2021 financial year, no compensation was awarded to former members of the Executive Management or persons closely related to current or former members of the Executive Management. The members of the Executive Management have employment agreements with a six months notice period. They are not entitled to severance payments.

# 4 Share ownership

## 1 Board of Directors

The following table shows the number of shares in SKAN Group AG (formerly BV Holding AG) held by the individual members of the Board of Directors and persons closely related to them as per 31 December 2021 with the previous year figures.

	Number as per 31.12.2021	In % of share capital	Number as per 31.12.2020	In % of share capital
Dr. Gert Thoenen, Chairman <sup>8</sup>	331'174	1.5%	28'821	0.3%
Oliver Baumann, Member <sup>8</sup>	0	0.0%	0	0.0%
Cornelia Gehrig, Member <sup>8</sup>	0	0.0%	0	0.0%
Thomas Huber, Member <sup>8</sup>	See table under Section 4.2.	See table under Section 4.2.	See table under Section 4.2	See table under Section 4.2
Dr. Beat Lüthi, Member <sup>8</sup>	0	0	0	0.0%
Gregor Plattner, Member <sup>8</sup>	636'504	2.8%	0	0.0%
Patrick Schär, Member <sup>8</sup>	See table under Section 4.2	See table under Section 4.2	See table under Section 4.2	See table under Section 4.2
Ernst Balmer, Chairman <sup>9</sup>	-	-	560'588	5.4%
Dr. h.c. Willy Michel, Member <sup>9</sup>	-	-	6'204'951	59.3%
Dr. Rubino Mordasini, Member <sup>9</sup>	-	-	49'365	0.5%
Thomas Plattner, Member <sup>9</sup>	-	-	912'724	8.7%

<sup>8</sup> In office since 4 October 2021.

<sup>9</sup> In office until 4 October 2021; is not a member of Board of Directors as of 31 December 2021. Therefore no disclosure.

## 2 Executive Management

The following table shows the number of shares in SKAN Group AG (formerly BV Holding AG) held by the individual members of the Executive Management and persons closely related to them as per 31 December 2021 with the previous year figures.

	Number as per 31.12.2021	In % of share capital	Number as per 31.12.2020	In % of share capital
Thomas Huber, CEO <sup>10</sup>	683'905	3.0%	3'812	0.0%
Michel Gasser, CSO <sup>10</sup>	2'625	0.0%	0	0.0%
Cornelia Henny-Weiss, COO <sup>10</sup>	0	0.0%	0	0.0%
Philippe Jérôme, CMO <sup>10</sup>	47'325	0.2%	0	0.0%
Burim Maraj CFO <sup>10</sup>	20'489	0.1%	4'834	0.0%
Bernd Naumann, CTO & Deputy CEO <sup>10</sup>	45'946	0.2%	0	0.0%
Sascha Pawel, CIO <sup>10</sup>	183'786	0.8%	0	0.0%
Fabienne Schmid, COHR <sup>10</sup>	26'247	0.1%	0	0.0%
Martin Steegmüller, CPO & CDO <sup>10</sup>	5'218	0.0%	0	0.0%
Thomas Zinn, CCO <sup>10</sup>	0	0.0%	0	0.0%
Patrick Schär, CEO <sup>11</sup>	1'000	0.0%	3'281	0.0%

<sup>10</sup> Member of Executive Management since 4 October 2021.

<sup>11</sup> Resigned as per 4 October 2021.



Phone +41 31 327 17 17  
Fax +41 31 327 17 38  
www.bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Berne

## REPORT OF THE STATUTORY AUDITOR

To the General Meeting of  
SKAN Group AG, Allschwil

We have audited the remuneration report of SKAN Group AG (pages 124 to 139) for the year ended 31 December 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained on digits 3.1 to 4.2 of the remuneration report.

### Responsibility of the Board of Directors

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the remuneration report for the year ended 31 December 2021 of SKAN Group AG complies with Swiss law and articles 14 - 16 of the Ordinance.

Berne, 4 April 2022

BDO Ltd

Thomas Bigler

Licensed Audit Expert

Bianca Knödler

Auditor in Charge  
Licensed Audit Expert

# Financial Statements

5



# Consolidated Financial Statements SKAN 2021

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# Consolidated Income Statement

in CHF thousands	Note	2021		2020	
Net sales from goods and services	1.1/1.2	234'265	100%	191'689	100%
Change in inventory of finished, unfinished goods and work in progress		3'894		2'296	
Material and external services	1.3	-68'051		-60'980	
Gross Profit		170'108	73%	133'005	69%
Personnel expenses	1.3	-107'737		-91'767	
Other operating expenses	1.3	-31'689		-24'755	
EBITDA		30'682	13%	16'484	9%
Depreciation	2.4	-6'187		-4'681	
Amortisation	2.6	-1'440		-1'104	
Operating Result (EBIT)		23'055	10 %	10'699	6%
Financial expenses	3.7	-4'687		-2'890	
Financial income	3.7	5'234		3'658	
Income from associates	4.1	1'124		1'776	
Ordinary Result		24'726	11%	13'242	7%
Extraordinary expenses	3.8	0		-7	
Extraordinary income	3.8	0		318	
Profit Before Income Taxes (EBT)		24'726	11%	13'553	7%
Income taxes	1.4	-3'328		-1'966	
Profit For The Period		21'398	9%	11'587	6%
Profit attributable to minority interests		10'782		7'055	
Profit attributable to shareholders of SKAN Group AG		10'616		4'532	
Basic and diluted earnings per share in CHF	1.5	0.84		0.43	



# Consolidated Balance Sheet

in CHF thousands	Note	31.12.2021		31.12.2020	
Cash and cash equivalents	3.1	131'539		63'818	
Trade receivables	2.1	23'301		19'997	
Other current receivables	2.1	8'555		9'874	
Inventories	2.2	23'850		27'769	
Work in progress	2.3	51'000		50'470	
Prepayments and accrued income	2.1	16'821		26'866	
<b>Total Current Assets</b>		<b>255'065</b>	<b>77%</b>	<b>198'795</b>	<b>77%</b>
Property, plant and equipment	2.4	73'326		44'145	
Financial assets	2.5	918		2'616	
Investments in associates	4.1	0		11'746	
Intangible assets	2.6	2'614		2'233	
<b>Total Non-Current Assets</b>		<b>76'858</b>	<b>23%</b>	<b>60'740</b>	<b>23%</b>
<b>Total Assets</b>		<b>331'923</b>	<b>100%</b>	<b>259'535</b>	<b>100%</b>

in CHF thousands	Note	31.12.2021		31.12.2020	
Trade payables	2.1	14'781		28'576	
Advance payments from customers	2.3	66'245		86'139	
Current financial liabilities	3.3	1'095		1'145	
Other current liabilities	3.4	6'249		1'745	
Current provisions	2.7	43'253		44'435	
Accrued liabilities and deferred income	3.6	5'025		1'350	
<b>Current Liabilities</b>		<b>136'647</b>	<b>41%</b>	<b>163'390</b>	<b>63%</b>
Non-current financial liabilities	3.3	14'176		6'305	
Other non-current liabilities	3.5	3'809		4'216	
Deferred tax liabilities	1.4	1'898		1'203	
Non-current provisions	2.7	1'388		1'868	
<b>Non-Current Liabilities</b>		<b>21'270</b>	<b>6%</b>	<b>13'592</b>	<b>5%</b>
<b>Total Liabilities</b>		<b>157'918</b>	<b>48%</b>	<b>176'982</b>	<b>68%</b>
Share capital	3.2	225		3'665	
Capital reserves	3.2	123'671		12'065	
Retained earnings		35'849		25'917	
<b>Equity Attributable to Shareholders of SKAN Group AG</b>		<b>159'745</b>	<b>48%</b>	<b>41'647</b>	<b>16%</b>
Minority interests		14'261		40'906	
<b>Total Equity</b>		<b>174'005</b>	<b>52%</b>	<b>82'553</b>	<b>32%</b>
<b>Total Liabilities and Equity</b>		<b>331'923</b>	<b>100%</b>	<b>259'535</b>	<b>100%</b>

# Consolidated Cash Flow Statement

in CHF thousands	Note	31.12.2021	31.12.2020
Profit for the period		21'398	11'587
Depreciation and amortisation	2.4 / 2.6	7'627	5'785
Change of provisions (including deferred taxes)		-967	18'093
Income from associates	4.1	-1'124	-1'776
Other non-cash items		1'900	1'749
Gain on disposal of fixed assets		-4'049	0
Change of trade receivables		-3'303	3'415
Change of inventories and work in progress		3'389	-23'132
Change of other receivables, prepayments and accrued income		11'365	-22'201
Change of trade payables		-13'795	16'239
Change of other current liabilities, accrued liabilities and deferred income		-11'716	12'202
Change of other non-current liabilities		-407	673
<b>Cash Flow from Operating Activities</b>		<b>10'317</b>	<b>22'634</b>
Outflows for property, plant and equipment	2.4	-39'022	-12'800
Inflows from disposal of property, plant and equipment		5'922	24
Outflows for purchase of financial assets		-110	-263
Inflows from disposal of financial assets		922	4
Outflows for purchase of intangible assets	2.6	-3'585	-1'765
Inflows from disposal of investments in associates	4.1	24'856	0

in CHF thousands	Note	31.12.2021	31.12.2020
Sale of participations, net of cash sold		0	-1'152
<b>Cash Flow from Investing Activities</b>		<b>-11'017</b>	<b>-15'952</b>
Inflows from capital increase (net)	3.2	89'128	0
Outflows for capital reduction		-15'647	-4'191
Distribution of profits to shareholders of SKAN Group AG		-10'617	0
Distribution of profits to minority interests		-3'223	-2'841
Disposal of treasury shares		22	0
Issuance/Repayment of current financial liabilities		-50	-115
Repayment of non-current financial liabilities		0	-1'002
Issuance of non-current financial liabilities		7'871	0
<b>Cash Flow from Financing Activities</b>	<b>3.3</b>	<b>67'484</b>	<b>-8'149</b>
Net impact of foreign exchange rate differences on cash and cash equivalents		937	157
<b>Change in Cash and Cash Equivalents</b>		<b>67'721</b>	<b>-1'310</b>
Cash and cash equivalents as at 1 January	3.1	63'818	65'128
Cash and cash equivalents as at 31 December	3.1	131'539	63'818
<b>Change in Cash and Cash Equivalents</b>		<b>67'721</b>	<b>-1'310</b>

Cash and cash equivalents comprise current bank accounts, petty cash and short-term financial investments with an initial maturity of up to three months.

# Consolidated Statement of Changes in Equity

in CHF thousands	Share capital	Capital reserves	Treasury Shares	Goodwill offset	Other retained earnings	Retained earnings	Equity attributable to shareholders of SKAN Group AG	Minority interests	Total Equity
Balance as at 1 January 2020 (IFRS)	7'854	12'067	0	0	92'010	92'010	111'931	0	111'931
Swiss GAAP FER Adjustments	0	0	0	-41'008	-28'209	-69'217	-69'217	36'475	-32'742
Balance as at 1 January 2020 (FER)*	7'854	12'067	0	-41'008	63'801	22'793	42'714	36'475	79'189
Net profit for the period	0	0	0	0	4'532	4'532	4'532	7'055	11'587
Dividends paid to minority interests	0	0	0	0	0	0	0	-2'841	-2'841
Decrease in par value	-4'189	-2	0	0	0	0	-4'191	0	-4'191
Currency translation differences	0	0	0	0	-1'408	-1'408	-1'408	216	-1'191
Balance as at 31 December 2020	3'665	12'065	0	-41'008	66'925	25'917	41'647	40'906	82'553

\* Further information regarding equity is provided in Note 3.2.

# Consolidated Statement of Changes in Equity

in CHF thousands	Share capital	Capital reserves	Treasury Shares	Goodwill offset	Other retained earnings	Retained earnings	Equity attributable to shareholders of SKAN Group AG	Minority interests	Total Equity
Balance as at 1 January 2021 (IFRS)	3'665	12'065	0	0	104'816	104'816	120'546	0	120'546
Swiss GAAP FER Adjustments	0	0	0	-41'008	-37'892	-78'900	-78'900	40'906	-37'994
Balance as at 1 January 2021 (FER)*	3'665	12'065	0	-41'008	66'925	25'917	41'647	40'906	82'553
Net profit for the period	0	0	0	0	10'616	10'616	10'616	10'782	21'398
Goodwill recycling	0	0	0	10'994	0	10'994	10'994	0	10'994
Dividends paid to minority interests	0	0	0	0	0	0	0	-3'223	-3'223
Sale of treasury shares	0	22	0	0	0	0	22	0	22
Capital reduction	-3'560	0	0	0	0	0	-3'560	0	-3'560
Dividends paid to shareholders of SKAN Group AG	0	-12'087	0	0	-10'617	-10'617	-22'704	0	-22'704
Increase in par value	103	0	0	0	0	0	103	0	103
Issuance of new shares	17	93'483	0	0	0	0	93'501	0	93'501
IPO-related costs charged to equity	0	-4'372	0	0	0	0	-4'372	0	-4'372
Acquisition of minority interests	0	34'560	0	0	0	0	34'560	-34'560	0
Currency translation differences	0	0	0	0	-1'061	-1'061	-1'061	356	-705
Balance as at 31 December 2021	225	123'671	0	-30'014	65'863	35'849	159'745	14'261	174'005

\* Further information regarding equity is provided in Note 3.2.



# Notes to the Consolidated Financial Statements

## Information About the Report

This section provides a general understanding of the preparation and consolidation principles as well as an overview of the use of accounting applied by the management of SKAN Group AG (hereafter Management).

## General Information

SKAN Group AG (hereafter the Company) is a public limited company incorporated under Swiss law and is headquartered in Allschwil. The Company was originally incorporated on 8 April 1997 as "Bern Venture Limited" under the laws of the British Virgin Islands and subsequently transferred its registered office to Bern, Switzerland (and at the same time changed its corporate name to "BV Holding AG"). BV Holding AG shares have been traded on the BX Swiss since 2007. The transfer of registered office was registered in the commercial register of the Canton of Bern on 30 November 2001. Immediately prior to the Offering on SIX Swiss Exchange, the Company changed its corporate name from BV Holding AG to SKAN Group AG and moved its registered office from Burgdorf, Canton of Bern to Allschwil, Canton of Basel-Landschaft. Since 28 October 2021 the SKAN Group AG has been listed on SIX Swiss Exchange. Prior to the listing the Company and its shares were listed on BX Swiss as an investment company. With the first day of trading at SIX Swiss Exchange the Company was delisted from BX Swiss.

In parallel with the Offering, the Company increased its share capital from CHF 104'715.30 to CHF 207'520.30 by issuing to the existing shareholders of SKAN Holding AG 10'280'500 registered shares with a nominal value of CHF 0.01 against contribution in kind of 49.54% of the shares in SKAN Holding AG (the "Quasi-Merger").

The SKAN Group (hereafter SKAN) is composed of SKAN Group AG and the subsidiaries presented in Note 4.2 SKAN is a leading systems provider in the field of cleanroom equipment and produces isolators for the pharmaceutical and chemical industry. SKAN isolator systems aim to protect the product, the employees and the environment in case of sterile and toxic applications in production, quality control as well as powder and substance processing.

The investments of BV, except for SKAN Holding AG and Anecova SA were sold in the first half of 2021 successively, and the cash inflows were distributed to the shareholders of BV. In accordance with the change of strategy, the Board of Directors has decided to switch its accounting from

International Financial Reporting Standards (hereafter IFRS) to Swiss GAAP FER (hereafter FER) with retroactive effect from 1 January 2020.

The consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with Swiss GAAP FER and Swiss law and provide a true and fair view of the Group's assets, financial situation and earnings. The consolidated financial statements are presented in Swiss francs (CHF); unless stated otherwise.

The financial statements have been prepared under the historical cost convention, except where disclosed otherwise in the accounting policies and were prepared under the going concern assumption. The figures and especially the totals may contain rounding differences.

## Effects of the Initial Application of Swiss Gaap FER 31 and Different Reporting Format

SKAN applies Swiss GAAP FER 31, "Complementary recommendation for listed companies" for the years ended 31 December 2021 and 2020. The date of initial application is 1 January 2020. In connection with the application of Swiss GAAP FER 31, in order to comply with SIX Exchange Regulation, these consolidated financial statements present for the first time the required more detailed disclosures on "Segment information" (Note 1.2), "Income taxes" (Note 1.4), "Earnings per share" (Note 1.5) and "Financing and risk management" (Note 3).

Further, the content and structure of the consolidated financial statements have been fundamentally revised compared to the previous years in order to make the information more transparent and relevant for readers of the financial report. These adjustments include a modification to the structure of the notes, supplementary notes to existing accounting principles, adjustment to presentation and the focus on relevant information. These do not have significant impact on the financial statements.

As announced in the press release of 26 April 2021, the Board of Directors of BV has decided, in the context of change in strategy from an investment entity to a consolidated business, to convert its accounting from IFRS to FER with retroactive effect from 1 January 2020. The conversion to FER mainly results in full consolidation of the SKAN Group and its subsidiaries, a change in classification of ZIEMER Group AG to an associated company with applying the equity method of accounting and some minor other changes. The consolidated

financial statements for the period ended 31 December 2021 are the first to be prepared in accordance with the provisions of FER. The accounting and measurement principles used to prepare and present the consolidated financial statements for the period ended 31 December 2021 in accordance with FER 31 differ from those used for the IFRS-based 2020 consolidated financial statements as follows:

### → Change of status

With the change of the accounting standard, the Company had to abandon its status as an investment entity in accordance with IFRS. Consolidation exception in accordance with IFRS 10 is no longer applicable and the accounting has been changed to the consolidation principles stipulated in FER 30. According to FER, the Company has consolidated the investment in SKAN Holding AG due to its controlling influence. Investments in associated organisations are recognised using the equity method. The ownership of shares in organisations with a proportion of voting rights of less than 20 percent does not belong to the scope of consolidation. They are recognised at acquisition cost less impairment, if any.

### → SKAN Holding AG

In 2018 BV obtained a majority of capital and voting rights of SKAN has thus controlled it from that date on. The control was obtained through three separate transactions which is described as step acquisition. The Company has decided to determine the Goodwill for each acquisition step separately. Goodwill for each acquisition step results from the difference between the purchase price of the acquired tranche and the acquired proportional net assets. The changes in the difference between the selling price and the pre-existing carrying amounts since the acquisition of the first proportional tranche are taken into account only to the extent of the newly acquired proportional tranche. The portion of the change in the difference that is attributed to the pre-existing proportional tranche must be taken into account in the consolidated financial statements through the recognition of a revaluation reserve in equity. With this approach, the acquired assets and liabilities are

integrated in the consolidated financial statements at the full selling price at the date of acquisition of control. Goodwill from acquisitions of fully consolidated investments is directly offset, as at the acquisition date, with retained earnings in equity in accordance with the allowed treatments under FER 30.

### → ZIEMER Group AG

With the further acquisition of 1.4% shareholding in 2015, ZIEMER Group AG became an associate of the Company. The Company has decided to determine the Goodwill with revaluation of existing shareholdings at the point in time when ZIEMER Group AG became an associated company. The accounting follows the assumption that the pre-existing shareholdings will be disposed of and that all the shareholdings held from the date of the last acquisition step will then be acquired. The purchase price that is compared against the pre-existing shareholdings in the context of this deemed disposal corresponds to the selling price of these shareholdings. At disposal of ZIEMER Group AG in 2021, the acquired goodwill offset with equity was recycled through the income statement.

### → Other investments

Reassessment of the investments and the classification; Financial assets are no longer recognized at fair value but at cost less impairment, if any.

### → Pension benefit obligation

Pension obligation calculated in accordance with IAS 19 has been restated in accordance with FER 16. Under FER economic obligations or benefits from pension schemes are determined based on the financial statements of such pension schemes prepared in accordance with FER 26.

With regards to the other assets and liabilities (mainly cash and cash equivalents, receivables, liabilities and accruals) no material differences between SWISS GAAP FER and IFRS have been identified.

## Reconciliation of equity and period result from IFRS to FER

in CHF thousands	1 January 2021	1 January 2020
Equity in accordance with IFRS	120'546	111'931
<b>Swiss GAAP FER adjustments</b>		
Full consolidation of SKAN Group	-553	7'452
Offsetting Goodwill SKAN Group with retained earnings	-25'077	-25'077
Revaluation Ziemer Group AG from fair value to at equity investment	-1'468	-3'244
Offsetting Goodwill Ziemer Group with retained earnings	-10'996	-10'996
Revaluation investments Ypsomed and Anecova	0	-941
Adjustment pension benefit obligation	100	64
Equity in accordance with Swiss GAAP FER	82'552	79'189

in CHF thousands	31 December 2020
Profit in accordance with IFRS	12'806
<b>Swiss GAAP FER adjustments</b>	
Full consolidation of SKAN Group	-1'419
Revaluation investments Ypsomed and Anecova	690
Unrealised losses from investments	700
Impairment Anecova and Piexon	-449
Adjustment pension benefit obligation	36
Proportional gain at equity investment Ziemer	1'776
Elimination of dividends between SKAN Holding AG and BV Holding AG	-2'553
Profit in accordance with FER (incl. minority interests)	11'587

## Basis of Consolidation

The consolidated financial statements are based on the individual financial statements as at 31 December, prepared in accordance with uniform principles, of all group entities of which SKAN Group AG directly or indirectly holds more than 50% of the voting rights or over which control is exercised in another way. The entities included in the scope of consolidation are presented in Note 4.2.

Capital consolidation is based on the purchase method, whereby the acquisition cost is eliminated at the time of acquisition against the fair value of net assets acquired with the remainder recorded as goodwill that is subsequently offset within equity of the group.

Based on the full consolidation method, the assets and liabilities as well as income and expenses of the consolidated entities are fully recognised. The share attributable to minority shareholders in equity and in the income statement is presented separately in the consolidated balance sheet, the consolidated income statement and consolidated statement of changes in equity. All intercompany transactions, balances, and unrealised gains and losses resulting from intercompany transactions are eliminated.

Investments in which SKAN has a minority interest of at least 20% but less than 50%, or over which it otherwise has significant influence, are generally accounted for using the equity method. An exception was made for the investments in Piexon AG and Covalys Biosciences AG in liquidation, in which BV held an interest of more than 20%. This is because these are historical investments in smaller (immaterial to the Group) companies that were fully divested in the first half of 2021. Investments in associates are presented separately in the balance sheet. The share in the profit of these associates is presented as part of financial income in the consolidated statement of income.

## Foreign Currency Translation

SKAN's consolidated financial statements are presented in Swiss francs (CHF). Each group entity determines its own functional currency. The positions included in the financial statements of the respective entity are valued using its functional currency.

## Foreign Currency Transactions

Foreign currency transactions are initially converted at the exchange rate defined by SKAN on a monthly basis. At the balance sheet date, monetary assets and liabilities in foreign currencies are converted at current rates and resulting for-

ign exchange gains / losses are presented in the income statement. Non-monetary positions, that are valued at historical acquisition or production cost in a foreign currency, are converted at the exchange rate prevailing at the time of transaction. All foreign currency differences are part of the financial result.

## Conversion Of Consolidated Individual Financial Statements

The financial statements in foreign currencies of the foreign group entities are converted into Swiss francs for consolidation purposes in accordance with the current rate method, as follows:

- Assets and liabilities at the exchange rate at the balance sheet date.
- Equity at historical rates.
- The income statement and cash flow statement at the average rate for the year.

The amount resulting from the conversion of the financial statements and from the translation of corporate loans with equity character denominated in foreign currencies are recognised in equity and offset against retained earnings without affecting the income statement. Upon the divestment of a foreign group entity, the related cumulative exchange differences are recycled to the income statement.

The exchange rates used for the conversion of group entities are as follows:

Currency	Unit	31.12.2021	Average 2021	31.12.2020	Average 2020
EUR	1	1.0331	1.0409	1.0816	1.0718
JPY	100	0.7924	0.8081	0.8561	0.8797
USD	1	0.9121	0.9208	0.8839	0.9345

#### Significant Management Estimates

The preparation of the consolidated financial statements in accordance with Swiss GAAP FER requires Management to make estimates and assumptions that materially affect the financial positions of SKAN. Estimates and corresponding assumptions are based on past experience and various other relevant factors. The actual results can differ from these estimates. The estimates and its underlying assumptions are reviewed periodically and changes are recognised prospec-

tively. The Management of SKAN has identified the following assumptions and estimates to be of special relevance to the presentation of the consolidated financial statements:

- Recognition of revenues from construction contracts – Note 1.2
- Income taxes – Note 1.4
- Inventories – Note 2.2
- Provisions – Note 2.7



# 1 Performance for the Year

SKAN's operational performance is presented in this section.

The segment reporting shows the segment results used at top management level to steer the business. This section also provides details on selected expense items as well as the earnings per share information.

## 1 Segments

In accordance with the management structure and the reporting to the Management and the Board of Directors of SKAN Group AG (hereafter Board of Directors), the reportable segments are the following:

<b>Equipment &amp; Solutions</b>	Within Equipment & Solutions, we provide mission-critical solutions for the pharmaceutical production, including isolators, integrated automated systems, aseptic filling systems and solutions as well as laboratory and clean-room equipment. Our products are characterised by their high reliability,	innovative features and functions, and quality. We offer system and customised solutions as well as end-to-end support to our customers for efficient approval processes with the relevant regulatory authorities (e.g. FDA, EMA, Swissmedic).
<b>Services &amp; Consumables</b>	With our Services & Consumables business we provide global customer support and offer ready-to-use con-	sumables to our customers as well as digital solutions.
<b>Others</b>	Our segment "Others" include all income and expenses of SKAN Group AG that cannot be directly allocated	to one of the other two segments. It mainly includes administrative and personnel expenses related to the IPO.

2021 in CHF thousands	Equipment & Solutions	Services & Consumables	Others	Total segments/ Group
Order backlog	204'464	21'647	0	226'111
Order Intake	212'307	68'011	0	280'318
Net sales from goods and services	172'049	58'040	4'176	234'265
EBITDA	16'113	13'618	952	30'682
EBITDA margin	9.4%	23.5%	22.8%	13.1%
Depreciation				-6'187
Amortisation				-1'440
Operating Result (EBIT)				23'056
Financial result				1'671
Ordinary Result				24'727

For the cancellation of project 1 related to the sale of Pharma Integration S.r.l. we paid a penalty of kEUR 1'000 (kCHF 1'061). This costs were adjusted in the table below.

#### Total 2021 after Adjustments

2021 in CHF thousands	Equipment & Solutions	Services & Consumables	Others	Total segments/ Group
Order Intake	212'307	68'011	0	280'318
Net sales from goods and services	173'110	58'040	4'176	235'326
EBITDA	17'174	13'618	952	31'744
EBITDA margin	9.9%	23.5%	22.8%	13.5%
Depreciation				-6'187
Amortisation				-1'440
Operating Result (EBIT)				24'117
Financial result				1'671
Ordinary Result				25'788

2020 in CHF thousands	Equipment & Solutions	Services & Consumables	Total segments/ Group	Total segments/ Group
Order backlog	165'006	11'682	0	176'688
Order Intake	159'513	41'587	0	201'100
Net sales from goods and services	144'353	47'336	0	191'689
EBITDA	6'487	10'988	-991	16'484
EBITDA margin	4.5%	23.2%	0.0%	8.6%
Depreciation				-4'681
Amortisation				-1'104
Operating Result (EBIT)				10'699
Financial result				2'543
Ordinary Result				13'242

#### Impact of Sale of Pharma Integration S.R.L. and Cancellation of Respective Projects

Following table presents adjusted figures excluding the sale of Pharma Integration S.r.l. in 2020 as well as the corresponding cancelled orders.

2020 in CHF thousands	Equipment & solutions, as reported	Adjustment	Total Adjusted Equipment & Solutions
Order Intake	159'513	24'807	184'320
Net sales from goods and services	144'353	15'591	159'944
EBITDA	6'487	16'920	23'407
EBITDA margin	4.5%		14.6%

The following provisions had to be recorded in the financial closing 2020 with the sale of Pharma Integration S.r.l. and the corresponding cancellation of project 1 (February 2021) and project 2 (April 2021).

- The loss from the sale of Pharma Integration S.r.l. amounts to kCHF 2'378. This loss attributable to the shareholders of SKAN is recorded proportionally (kCHF 1'329) in other operating expenses.
- The loss due to the cancellation of project 1 amounts to kCHF 7'630.
- The loss due to the cancellation of project 2 amounts to kCHF 7'961.

## Total 2020 after Adjustments

2020 in CHF thousands	Equipment & Solutions	Services & Consumables	Others	Total segments/ Group
Order Intake	184'321	41'587		225'908
Net sales from goods and services	159'944	47'336		207'280
EBITDA	23'407	10'988	-991	33'404
EBITDA margin	14.6%	23.2%		16.1%
Depreciation				-4'681
Amortisation				-1'104
Operating Result (EBIT)				27'619
Financial result				2'543
Ordinary Result				30'162

## 2 Net Sales from Goods and Services

### Net Sales from Goods and Services per Geographical Market

in CHF thousands	2021	2020
Asia	21'007	16'918
Europe	106'666	88'120
Americas	105'513	83'415
Other regions	1'079	3'236
<b>Total Net Sales by Region</b>	<b>234'265</b>	<b>191'689</b>

Net sales include kCHF 147'050 (2020: kCHF 101'518) from long-term contracts.

### Accounting principles

#### Category

Net sales from goods and services

#### Accounting principles

Net sales include all sales of goods and related services, after deduction of any sales reductions including rebates, discounts, value-added taxes, and commissions.

#### Production and trading

Sales are recognised when the products have been delivered and the benefits and risks as well as the authority to dispose of the products have been transferred to the customer. This occurs generally upon the delivery of the goods and products. In contrast, revenues from long-term contracts are recognised in accordance with the percentage-of-completion (POC) method, if the criteria required by FER 22 are met. In this respect, the degree of completion is determined based on the work progress. Profits are recognised proportionally and any losses are immediately recognised fully in the income statement.

#### Services

Sales related to services are recognised when the services have been performed. Revenues from services include mainly income from the service and maintenance of installations for customers. The degree of completion is determined based on the actual costs (working hours, material, expenses, logistics) as at the balance sheet date compared to the planned costs. If the result of a contract cannot be estimated in a reliable manner, revenues are recognised only in the amount of the recoverable expenses incurred.

### Significant Management Estimate

In order to determine the degree of completion used as a basis for revenue recognition, estimates have to be made by Management. The evolution of costs is used as a basis to measure the progress of work. In this respect, the directly attributable actual costs (consisting of material, expenses, logistics and hours) are compared with the planned costs. The planned costs are based on a detailed project calculation which is approved internally before the project begins. It is only after the approval of this calculation that the order confirmation is sent to the client. The costs calculated at the beginning of the project are reviewed/scrutinised on a monthly basis and any change in estimates is included in the project calculation through an adjustment of the planned costs. These cost adjustments must be approved by SKAN's Management.

### 3 Operating Expenses

#### Material and External Services

Material and external services include all the costs for raw materials and supplies as well as trade goods and cost for external production. The change in inventories is presented

as part of "change in inventory of finished and unfinished good as well as work in progress" in the consolidated income statement. In 2021 the material intensity was slightly lower compared to 2020. This was mainly due to the Pharma Integration S.r.l. projects which were cancelled in 2020 and significantly reduced the turnover.

#### Personnel Expenses

in CHF thousands	2021	2020
Wages and salaries	-89'266	-75'394
Social security expenses	-12'470	-10'894
Other personnel expenses	-3'801	-2'702
Temporary staff	-2'200	-2'777
<b>Total Personnel Expenses</b>	<b>-107'737</b>	<b>-91'767</b>

In 2021, SKAN created a total of 132 (2020: 129) new jobs (net) and thus had 1'007 (2020: 875) employees (headcount) worldwide at the end of 2021.

#### Other Operating Expenses

in CHF thousands	2021	2020
Travel expenses	-6'231	-3'825
Rental and leasing expenses	-5'719	-4'014
Repair and maintenance	-5'400	-4'650
Vehicle and transportation expenses	-831	-691
Insurance, levies, fees and permits	-1'116	-738
Administrative expenses	-10'891	-8'111
Marketing and communication expenses	-1'500	-1'077
Other expenses	-1	-1'649
<b>Total Other Operating Expenses</b>	<b>-31'689</b>	<b>-24'755</b>

The increase in travel expenses in 2021 was due to the growing operating business in 2021 whereas 2020 was affected by the Covid-pandemic. In 2021 however the situation slowly turned back to normal and again more travel activities were resumed. The increase in rental and leasing and repair and

maintenance expenses is due to the new building in Allschwil. The strong increase in administrative expenses in 2021 is mainly related to the initial public offering of SKAN Group AG.

### 4 Income Tax

in CHF thousands	2021	2020
Current year income tax	3'395	2'242
Deferred income tax	-67	-276
<b>Total Income Tax Expenses</b>	<b>3'328</b>	<b>1'966</b>

#### Effective Income Taxes

in CHF thousands	2021	2020
Profit before income taxes	24'726	13'553
Income tax rate	21.1%	24.7%
Expected income taxes	5'217	3'348
Use of non-capitalised tax loss carryforwards	-1'927	-1'603
Effect of non-capitalisation of tax loss carryforwards	88	0
Adjustments to tax burdens / reliefs	83	0
Other effects	-133	221
<b>Effective income taxes</b>	<b>3'328</b>	<b>1'966</b>
<b>Effective income tax rate</b>	<b>13.5%</b>	<b>14.5%</b>

The expected tax rate of 21.1% (2020: 24.7%) corresponds to the average tax rate of SKAN Group.

## Deferred Income Taxes

in CHF thousands	31.12.2021	31.12.2020
Trade receivables	341	255
Inventory and work in progress	203	198
Property, plant and equipment	926	405
Provisions	397	336
Others	30	8
<b>Total deferred income tax liabilities</b>	<b>1'898</b>	<b>1'203</b>

As of 31 December 2021, uncapitalised tax loss carryforwards of kCHF 83'571 (2020: kCHF 94'033) resulted in non-recognised deferred tax benefit of kCHF 20'857 (2020: kCHF 23'453).

### Accounting principles

#### Category

Income taxes

#### Accounting principles

The tax receivables and tax liabilities for the current period and previous periods are measured with the amount in which a refund from the tax authorities or a payment to the tax authorities is expected. The amount is calculated based on the tax rates that were enacted or substantially enacted at the balance sheet date.

Deferred income taxes

Deferred income taxes are calculated by applying the balance sheet method for all temporary differences between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. Tax loss carryforwards are not capitalised. The calculation of deferred taxes is based on the country-specific tax rates. Tax assets and liabilities are offset if they concern the same taxable entity and tax authority and if there is an offset entitlement for deferred taxes. No deferred taxes are recognised for temporary differences on investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by SKAN and where it is probable that the temporary difference will not be reversed in the foreseeable future.

### Significant Management Estimate

In order to determine the assets and liabilities from current and deferred income taxes, estimates have to be made based on existing tax laws and ordinances. Many internal and external factors may have positive or negative effects on the assets and liabilities from income taxes. These factors include changes in tax laws and ordinances and their interpretation, as well as changes in tax rates and in the total amount of taxable income per location. Such changes may impact the assets and liabilities from current and deferred income taxes recognised in future reporting periods.

## 5 Earnings Per Share

Earnings per share	2021	2020
Profit attributable to shareholders of SKAN Group AG	10'616'393	4'531'742
Weighted average number of shares outstanding	12'643'562	10'471'530
<b>Basic and diluted earnings per share (in CHF)</b>	<b>0.84</b>	<b>0.43</b>

### Reconciliation of non-diluted to diluted earnings per share

In 2020 and 2021, there was no dilution of the profit per share.

### Accounting principles

#### Category

Earnings per share

#### Accounting principles

Earnings per share is calculated by dividing the portion of profit attributable to the shareholders of SKAN Group AG by the weighted average number of shares outstanding in the reporting period. Diluted earnings per share takes into account any potential additional shares that may result, for instance, from exercised options or conversion rights.



## 2 Working Capital

This section provides additional information on net current assets that contribute to SKAN's operational liquidity.

It also provides an overview of the non-current assets that SKAN needs for the production of goods and services for its customers.

### 1 Operating Assets and Liabilities

#### Trade Receivables

in CHF thousands	31.12.2021	31.12.2020
Domestic receivables	7'672	4'675
Foreign receivables	15'793	15'720
Impairment domestic receivables	-10	-21
Impairment foreign receivables	-153	-377
<b>Total Trade receivables</b>	<b>23'301</b>	<b>19'997</b>

#### Other Current Receivables

Other current receivables include mainly receivables from the tax authorities (prepaid direct and indirect taxes). Tax prepayments and tax provisions are offset.

in CHF thousands	31.12.2021	31.12.2020
VAT receivable	5'815	5'146
Tax receivable Germany	584	0
Loan to third parties	89	97
Other current receivables	2'068	4'631
<b>Total Other current receivables</b>	<b>8'555</b>	<b>9'874</b>

### Prepayments and Accrued Income

Prepayments and accrued income include mainly prepayments to third party suppliers of SKAN AG. The decrease in 2021 is mainly impacted by reclassification of the two cancelled Pharma Integration S.r.l. projects.

in CHF thousands	31.12.2021	31.12.2020
Downpayments paid to vendors	15'633	25'489
Prepaid expenses	1'188	1'378
<b>Total Prepayments and accrued income</b>	<b>16'821</b>	<b>26'866</b>

### Trade Payables

in CHF thousands	31.12.2021	31.12.2020
Domestic payables	10'737	7'069
Foreign payables	3'947	5'907
Accrued payables from goods and services	97	15'600
<b>Total Trade payables</b>	<b>14'781</b>	<b>28'576</b>

### Accounting principles

Category	Accounting principles
Trade receivables	Trade receivables include short-term receivables from ordinary operations with a maturity of up to twelve months. They are stated at nominal value less any impairment. Value adjustments for doubtful accounts are established based on maturity and identifiable solvency risks. Besides individual value adjustments with respect to specific known risks, other value adjustments are recognised if their maturity was exceeded by more than 60/365 days.
Other current receivables	Other current receivables are stated at nominal value. Receivables at risk of default are individually impaired. No lump-sum allowance is calculated on the remaining receivables.
Prepayments and accrued income	Prepayments and accrued income are stated at nominal value. As soon as the final invoice is received the prepayments are offset.
Trade payables	Trade payables are stated at nominal value. Payables with maturities up to twelve months after the balance sheet date are presented as current liabilities, those with longer maturities are presented as non-current liabilities.

### 2 Inventories

With the cancellation of the two projects related to Pharma Integration S.r.l. in Q1 2021 a provision in 2020 was recorded. During 2021 the decision was made to record a full allowance for the materials purchased for the two projects and release the underlying provision. Currently the inventory for these two projects is still in stock at SKAN AG, but fully depreciated.

in CHF thousands	31.12.2021	31.12.2020
Trade goods	9'027	5'965
Unfinished goods	18'302	12'478
Finished goods	10'118	8'291
Other raw materials	4'041	2'931
Allowance for obsolete and slow-moving items	-17'638	-1'896
<b>Total Inventories</b>	<b>23'850</b>	<b>27'769</b>

### Accounting principles

Category	Accounting principles
Inventories	Goods held for trading are generally stated at average cost and internally manufactured products at standard cost, comprising all direct and indirect expenses required for bringing the inventories to their present location and condition (full cost). Discounts are treated as a reduction to the cost of purchase. If the net realisable value is lower than the above, a corresponding allowance adjustment is made. Inventories with an insufficient turnover rate are partially or fully impaired.

### Significant Management Estimate

Inventories are valued on an ongoing basis. In this regard, estimates are made based on the expected consumption, the price evolution (lower of acquisition or production cost and fair value less cost to sell) as well as the loss-free valuation. The allowance rates used to determine the allowance on inventories are reviewed on an annual basis and adjusted if needed.

3 Work in Progress/Advance Payments from Customers

in CHF thousands	31.12.2021	31.12.2020
Work in Progress (projects with WIP overhang)	127'639	128'257
Advance payments from customers	-76'639	-77'787
<b>Total Work in Progress</b>	<b>51'000</b>	<b>50'470</b>
Work in Progress (projects with advance payments overhang)	65'109	70'343
Advance payments from customers	-131'354	-156'482
<b>Total Advance payments from customers</b>	<b>-66'245</b>	<b>-86'139</b>
<b>Net Work in Progress/Advance payments from customers</b>	<b>-15'245</b>	<b>-35'669</b>

Accounting principles

**Category**  
Work in progress/  
Advance payments from customers

**Accounting principles**

Customer-specific construction contracts are recognised according to their percentage of completion ("percentage of completion method"). Under this method, pro rata revenues and expenses are presented according to the percentage of completion at the balance sheet date. The stage of completion is calculated individually for each project and is calculated based on the proportionate project expenses incurred until the balance sheet date, measured against total expected project expenses ("cost to cost method"). If the result of a customer-specific construction contract is not yet sufficiently certain, the revenue is recognised only to the extent of the recoverable project expenses. In the balance sheet, contract elements whose revenues are recognised using the "percentage of completion method" are presented under "Work in progress". An allowance is considered covering the full amount of anticipated losses. If the impairment is higher than the value of the asset, a provision is created in the amount of the difference.

Work in progress includes projects for which the cumulative performance exceeds the advance payments already received. If the advance payments received are higher than the cumulative performance, they are reported under advance payments from customers (liability). This assessment is made on individual project basis.

Advance payments received are recognised with no impact on the income statement. They are offset against the corresponding contracts or compensation entitlements for which the advance payments were made, if no right of clawback exists.

4 Property, Plant and Equipment

Acquisition Cost

in CHF thousands	Land and buildings	Assets under construction / Capitalized expenses	Machines and equipment	Other tangible fixed assets	Total property, plant and equipment
Balance as at 1 January 2020	26'049	5'380	18'420	11'252	<b>61'102</b>
Additions	4'593	1'002	5'977	1'227	<b>12'800</b>
Disposals	0	0	-240	-166	<b>-406</b>
Reclassification	2'575	-2'577	3	0	<b>0</b>
Business disposal	0	0	-347	-2	<b>-349</b>
Currency translation adjustments	-290	-15	-61	-35	<b>-401</b>
<b>Balance as at 31 December 2020</b>	<b>32'927</b>	<b>3'790</b>	<b>23'753</b>	<b>12'275</b>	<b>72'745</b>
Balance as at 1 January 2021	32'927	3'790	23'753	12'275	<b>72'745</b>
Additions	119	29'992	4'716	4'195	<b>39'022</b>
Disposals	-5'843	-1'744	-893	-1'484	<b>-9'964</b>
Reclassification	379	-12'874	-4'408	16'903	<b>0</b>
Currency translation adjustments	-1'025	-516	-518	-293	<b>-2'352</b>
<b>Balance as at 31 December 2021</b>	<b>26'557</b>	<b>18'648</b>	<b>22'649</b>	<b>31'597</b>	<b>99'451</b>

## Accumulated Depreciation

in CHF thousands	Land and buildings	Assets under construction / Capitalized expenses	Machines and equipment	Other tangible fixed assets	Total property, plant and equipment
Balance as at 1 January 2020	-6'914	-1'148	-8'920	-7'524	<b>-24'505</b>
Additions	-953	-249	-2'128	-1'352	<b>-4'681</b>
Disposals	0	0	234	149	<b>383</b>
Business disposal	0	0	138	2	<b>140</b>
Currency translation adjustments	34	0	-13	43	<b>64</b>
Balance as at 31 December 2020	-7'833	-1'396	-10'689	-8'681	<b>-28'599</b>
Balance as at 1 January 2021	-7'833	-1'396	-10'689	-8'681	<b>-28'599</b>
Additions	-972	-94	-2'769	-2'352	<b>-6'187</b>
Disposals	5'138	908	773	1'272	<b>8'090</b>
Currency translation adjustments	129	0	278	164	<b>570</b>
Balance as at 31 December 2021	-3'539	-583	-12'407	-9'598	<b>-26'126</b>

## Net carrying amounts

Balance as at 31 December 2020	25'094	2'394	13'063	3'594	<b>44'145</b>
Balance as at 31 December 2021	23'018	18'065	10'242	22'000	<b>73'326</b>

## 5 Financial Assets

in CHF thousands	31.12.2021	31.12.2020
Securities	21	1'321
Deposits	109	135
Financial investment	742	1'114
Other financial assets	46	46
<b>Total Financial assets</b>	<b>918</b>	<b>2'616</b>

## 6 Intangible fixed assets

### Acquisition Cost

in CHF thousands	Software	Development cost	Patents	Other intangible assets	Total intangible fixed assets
Balance as at 1 January 2020	3'843	6'698	770	355	<b>11'666</b>
Additions	1'446	304	13	3	<b>1'765</b>
Currency translation adjustments	-14	-31	-4	-5	<b>-54</b>
Balance as at 31 December 2020	5'274	6'971	779	353	<b>13'378</b>
Balance as at 1 January 2021	5'274	6'971	779	353	<b>13'378</b>
Additions	1'217	2'368	0	0	<b>3'585</b>
Disposals	-551	-1'385	0	0	<b>-1'937</b>
Currency translation adjustments	-28	-356	-35	-16	<b>-435</b>
Balance as at 31 December 2021	5'912	7'597	744	338	<b>14'591</b>

## Accumulated Amortisation

in CHF thousands	Software	Development cost	Patents	Other intangible assets	Total intangible fixed assets
Balance as at 1 January 2020	-2'725	-6'276	-735	-355	<b>-10'092</b>
Amortisation	-781	-283	-38	-2	<b>-1'104</b>
Currency translation adjustments	14	29	3	4	<b>50</b>
Balance as at 31 December 2020	-3'493	-6'530	-769	-353	<b>-11'146</b>
Balance as at 1 January 2021	-3'493	-6'530	-769	-353	<b>-11'146</b>
Amortisation	-1'038	-395	-7	0	<b>-1'440</b>
Disposals	226	0	0	0	<b>226</b>
Currency translation adjustments	22	310	35	16	<b>383</b>
Balance as at 31 December 2021	-4'282	-6'615	-742	-338	<b>-11'977</b>

## Net carrying amounts

Balance as at 31 December 2020	1'782	440	10	0	<b>2'233</b>
Balance as at 31 December 2021	1'630	982	3	0	<b>2'614</b>

## Accounting principles

### Category

Property, plant and equipment

### Accounting principles

Property, plant and equipment is recognised at acquisition or production cost, less cumulated planned depreciation and/or cumulated impairment losses. Assets are depreciated on a straight-line basis over their estimated useful lives or lease terms:

Categories	Estimated useful life
Land	n/a
Buildings	40 years
Tangible fixed assets under construction	n/a
Machines and equipment	3–10 years
Other tangible fixed assets	5–10 years

Due to its unlimited useful life, land is not depreciated. Maintenance and repair expenses are not capitalised.

Assets are reviewed at each balance sheet date or earlier if a significant event has occurred to determine whether there is any indication of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of net selling price and the asset's value in use.

Intangible assets

Intangible assets are recognised at acquisition or production cost, less cumulated planned amortization and/or cumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives.

Intangible assets are reviewed at each balance sheet date or earlier if a significant event has occurred to determine whether there is any indication of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of net selling price and the asset's value in use.

## 7 Provisions and Contingent Liabilities

### Provisions

in CHF thousands	Employee benefits	Goods and services	Warranty	Taxes	Other	Total provisions
Balance as at 1 January 2020	8'269	8'609	3'086	6'733	2'812	29'508
Increase of provisions	9'487	33'098	2'256	2'066	800	47'707
Utilisation of provisions	-7'705	-12'829	-939	-4'751	-1'673	-27'896
Changes in the scope of consolidation	-271	-1'390	0	0	-59	-1'721
Currency translation adjustments	-68	-9	-2	-1	-13	-93
Balance as at 31 December 2020	9'712	27'478	4'401	4'047	1'868	47'506
Thereof non-current provisions	0	0	0	1'203	1'868	3'071
Balance as at 1 January 2021	9'712	27'478	4'401	4'047	1'868	47'506
Increase of provisions	15'919	12'625	4'010	3'143	0	35'697
Utilisation of provisions	-13'384	-15'470	-3'542	-3'456	-414	-36'265
Currency translation adjustments	-87	-180	-36	-31	-65	-398
Balance as at 31 December 2021	12'160	24'454	4'833	3'704	1'388	46'539
Thereof non-current provisions	0	0	0	1'898	1'388	3'286

Provision for goods and services mainly consists of provisions for the revenue overhang in the Percentage of Completion Accounting. Whenever a project is finally invoiced, but still has open work to do (not closed in SAP) a provision for the work to come is recorded. This provision is calculated as a difference between the total plan turnover and the plan turnover multiplied with the progress of the project. As soon as the work is complete, the recorded provision is released.

In 2021, the increase in provision for employees is mainly caused by a strong increase in number of employees. The slight decrease in provisions for goods and services is due to utilisation of provisions for contractual penalties.

### Accounting principles

Category	Accounting principles
General	A provision represents a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated. The obligation can be based on legal or factual reasons. The amount of the provision is determined based on the estimated cash outflow that is necessary to settle the obligation. Current provisions have a maturity up to 12 months. Non-current provisions have a maturity over 12 months. Non-current provisions are not discounted.
Employee benefits	Provisions for employee benefits include mainly provisions for vacation, overtime and bonuses.
Goods and services	Provisions for goods and services are provisions for expected losses in relation with projects. The valuation is performed individually for each project. As soon as project-related losses are foreseeable, a corresponding provision is recognised. Any necessary provisions for cancelled projects are also recognised in the provisions for goods and services.
Warranties	A provision is recognised for warranty liabilities from products sold in previous years. The valuation is based on empirical values for repairs and claims. It is to be expected that the majority of these costs will be incurred in the forthcoming business years and that the total liability recognised will be incurred within two years following the balance sheet date. Warranty provisions are calculated based on the current level of sales and the information currently available regarding claims in relation with the products sold within the warranty period.
Off-balance sheet transactions	Contingent liabilities and other non-recognisable commitments are valued and disclosed at the balance sheet date. If contingent liabilities and other non-recognisable commitments lead to an outflow of funds without a simultaneous usable inflow of funds and the outflow of funds is probable and estimable, a provision is made. The valuation is performed according to the amount of the future unilateral contributions and cost. Any guaranteed considerations from other parties (e.g. insurance coverage) must be taken into account.

### Significant Management Estimate

The provision amount is determined largely by estimating the future costs and the probability of occurrence. The provisions for goods and services are valued and calculated individually for each project. Each month, it is decided for each project whether the planned costs must be adjusted and whether a provision for expected losses is necessary. Any provisions for risks in relation with cancelled projects are valued individually and recognised when necessary. The calculation for warranty cases is based on the product evolution, contractual agreements and past historical data. Besides the lump-sum calculations, individual provisions are taken into account for damages occurred or reported based on Management's estimate.



## 3 Financing and Risk Management

The total capital is defined as equity and net debt. SKAN manages its capital structure in order to ensure business continuity and optimise the shareholders' long-term returns. This section describes SKAN's financial structure and liquidity situation.

SKAN is exposed to a number of financial risks, and this section further outlines the key financial risks and how they are managed.

### 1 Cash and Cash Equivalents

#### Accounting principles

#### Category

Cash and cash equivalents

#### Accounting principles

Cash and cash equivalents comprise current bank accounts, petty cash and short-term financial investments with an initial maturity of up to three months. They form together the basis for the cash and cash equivalents presented in the consolidated cash flow statement.

### 2 Equity

#### Share Capital

The share capital of SKAN Group AG is composed of 22'483'524 registered shares (2020: 10'471'530) with a nominal value of CHF 0.01 each.

According to the IPO (and change of the name from BV Holding AG to SKAN Group AG) the share capital of the company was first reduced by kCHF 3'560 through a par value reduction. Subsequently the share capital was increased by CHF 120'119.94 from CHF 104'715.30 to CHF 224'835.24 through the issuance of 12'011'994 new fully paid-in registered shares with a nominal value of CHF 0.01 each. The capital increase was carried out in connection with the IPO and to take over 783'348 registered shares from previous shareholders of SKAN Holding AG in accordance with the contribution in kind agreement/contracts of 26 October 2021, for which the contributors were issued a total of 10'280'500 new registered shares with a nominal value of CHF 0.01 each in SKAN Group AG.

The total share capital as at 31 December 2021 amounts to CHF 224'835 (2020: CHF 3'665'036).

#### Reserves

kCHF 8'545 (2020: kCHF 8'545) of the retained earnings is not available for distribution due to legal restrictions.

#### Dividends

The Board of Directors proposes to the General Meeting on May 4, 2022 the distribution of a dividend of CHF 0.24 per share, amounting to kCHF 5'396 for 2021.

#### Acquisition of minority interests

With the contribution in kind agreement/contracts of 26 October 2021, the former shareholders of SKAN Holding AG became shareholders of SKAN Group AG. With this transfer of shares the SKAN Group AG became the 100% owner of SKAN Holding AG, which reduced the amount of minority interest by CHF 34.6 million.

#### Goodwill – Shadow Accounting

Goodwill is offset at the time of the acquisition of a subsidiary with the equity (retained earnings). Considering a useful life of five years and straight-line amortisation, the theoretical capitalisation of goodwill would have the following impact on SKAN's equity and income statement:

Balance Sheet / in CHF thousands	31.12.2021	31.12.2020
Equity incl. minority interests	174'005	82'553
Equity ratio in %	52%	32%
<b>Goodwill at acquisition</b>		
Balance as at 1 January	41'008	41'008
Additions	0	0
Disposals	-10'995	0
Balance as at 31 December	30'013	41'008
<b>Accumulated amortisation</b>		
Balance as at 1 January	31'394	27'961
Amortisation for the period	3'433	3'433
Disposals	-10'995	0
Balance as at 31 December	23'833	31'394
Theoretical net book value of goodwill	6'180	9'614
Theoretical equity incl. minority interests and net book value of goodwill	180'186	92'167
Theoretical equity ratio in %	54%	36%
<b>Income statement / in CHF thousands</b>	<b>2021</b>	<b>2020</b>
Profit for the period as reported	21'398	11'587
Theoretical goodwill amortisation	-3'433	-3'433
Profit for the period incl. theoretical goodwill amortisation	17'965	8'154

#### Accounting principles

##### Category Goodwill

##### Accounting principles

Entities acquired during the year are revalued and consolidated at the acquisition date in accordance with group-wide principles. The difference between the acquisition cost (incl. significant transaction costs) and the proportionate revalued net assets is designated as goodwill. In the context of acquisitions, potentially existing intangible assets such as trademarks, technology, rights of use or client lists that were not capitalised in the past are not recognised separately but remain included in goodwill. The goodwill resulting from acquisitions is offset directly with SKAN's equity (retained earnings). If the purchase price includes elements that are dependent on future results, these are valued and capitalised at best estimate at the acquisition date. If deviations arise during the subsequent definitive purchase price settlement, the goodwill offset with equity is adjusted accordingly. In case of disposal, the acquired goodwill that was previously offset with equity must be taken into account at the initial cost in order to determine the profit or loss recognised in the income statement.

### 3 Non-Current Financial Liabilities

in CHF thousands	31.12.2021	31.12.2020
Loans and borrowings from banks	13'857	5'866
Lease liabilities (Aseptic Technologies)	319	439
<b>Total Non-current financial liabilities</b>	<b>14'176</b>	<b>6'305</b>

#### Maturity Profile and Conditions of Financial Liabilities

Maturity Profile 2021/in CHF thousands	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total 31.12.2021	Interest rate
Loans with banks in EUR	981	7'562	6'295	14'838	
Loans from Swiss Banks	0	0	5'111	5'111	0.75%
Loans from European Banks	981	7'562	1'184	9'727	1.25-1.45%
Lease liabilities (Financing Lease)	114	182	137	433	
<b>Total</b>	<b>1'095</b>	<b>7'744</b>	<b>6'432</b>	<b>15'271</b>	

#### Maturity Profile 2020/in CHF thousands

Loans with banks in EUR	1'027	4'108	1'758	6'892	
Loans from European Banks	1'027	4'108	1'758	6'892	1.25-1.45%
Lease liabilities (Financing Lease)	118	305	134	558	
<b>Total</b>	<b>1'145</b>	<b>4'413</b>	<b>1'892</b>	<b>7'450</b>	

#### Accounting principles

Category	Accounting principles
Interest-bearing financial liabilities	Financial liabilities are composed of loans with banks and lease liabilities. They are recognised at their amortised cost. Borrowing costs are recognised in the income statement using the effective interest method.

### 4 Other Current Liabilities

in CHF thousands	31.12.2021	31.12.2020
VAT	1'094	741
Social contribution and pension	5'150	854
Other current liabilities	5	151
<b>Total Other current liabilities</b>	<b>6'249</b>	<b>1'745</b>

### 5 Other Non-Current Liabilities

in CHF thousands	31.12.2021	31.12.2020
Grants and allowances (Sächsische Aufbaubank)	3'739	4'138
Investment-related grant (subsidies Görlitz)	70	78
<b>Total Other non-current liabilities</b>	<b>3'809</b>	<b>4'216</b>

#### Accounting principles

Category	Accounting principles
Other non-current liabilities	Other non-current liabilities are composed of grants and allowances from Sächsische Aufbaubank and the government of the district of Görlitz (Germany). These were granted in the context of a location promotion program. They are released in the income statement over the useful life of the corresponding asset (production facility).

### 6 Accrued Liabilities and Deferred Income

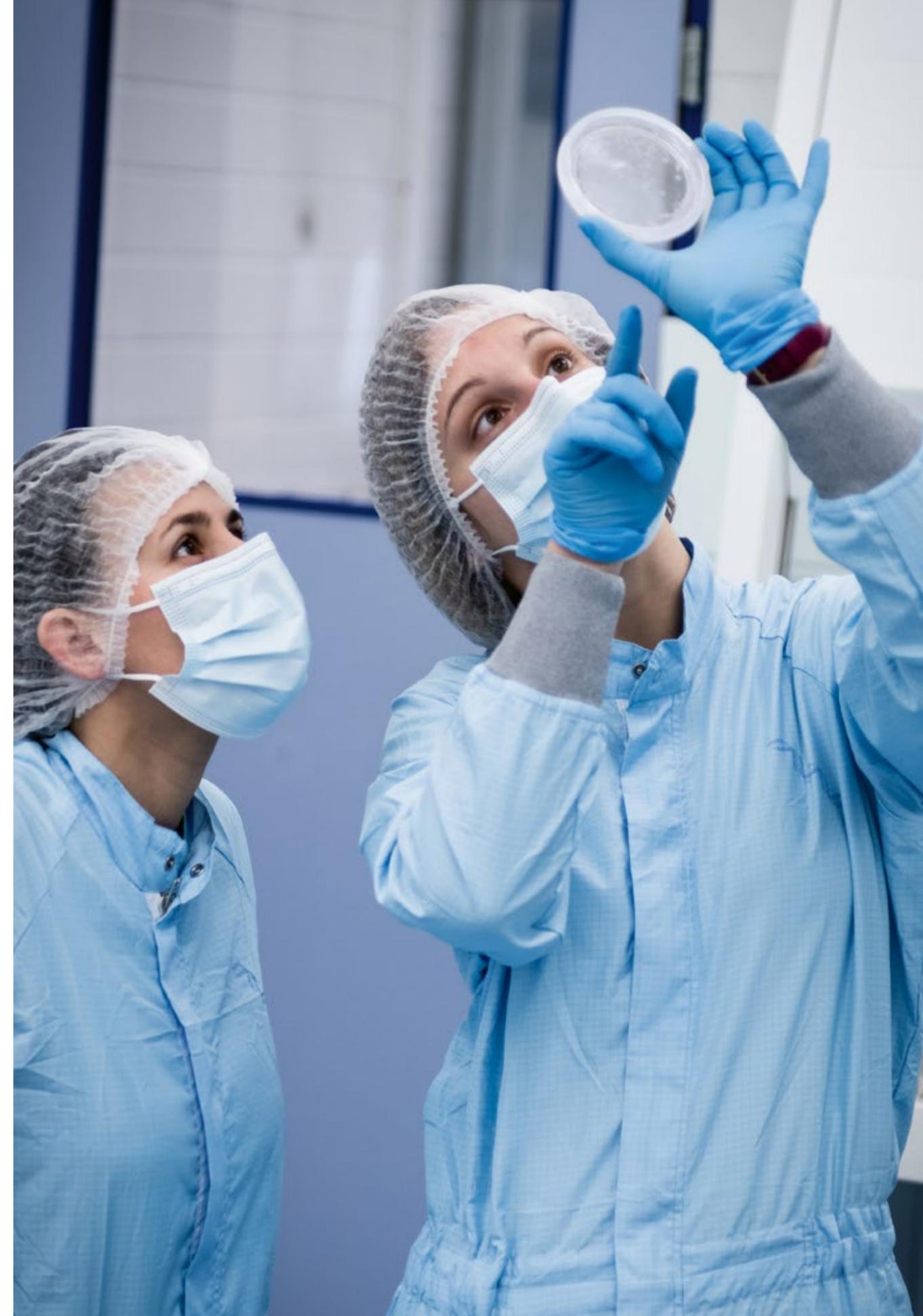
in CHF thousands	31.12.2021	31.12.2020
Rent new building in Allschwil	2'147	0
IPO related expenses	1'038	0
Unpaid expenses	1'840	1'350
<b>Total Accrued liabilities and deferred income</b>	<b>5'025</b>	<b>1'350</b>

## 7 Financial Result

in CHF thousands	2021	2020
Interest expenses	-132	-109
Foreign exchange losses	-2'626	-2'296
Bank charges	-277	-7
Impairment of financial assets	-1'500	-449
Other financial expenses	-152	-30
<b>Total Financial expenses</b>	<b>-4'687</b>	<b>-2'890</b>
Foreign exchange gains	3'447	3'123
Gain from disposal of financial asset Ziemer	1'701	0
Other financial income	86	535
<b>Total Financial income</b>	<b>5'234</b>	<b>3'658</b>

## 8 Extraordinary Income

The extraordinary income of kCHF 318 in 2020 is related to grants received by SKAN DE from the local authorities for the further development of the local site.



## 9 Leases

### Financing Leases

SKAN has one lease (2020: one lease) which qualifies as a financing lease. The carrying amount of the right-of-use asset amounts to kCHF 2'015 (2020: kCHF 2'203) and is presented under property, plant and equipment. The corresponding liabilities amount to kCHF 433 (2020: kCHF 558).

### Operating Leases

in CHF thousands	31.12.2021	31.12.2020
Due within 1 year	4'687	6'322
Due within 1 to 5 year	17'554	23'443
Due after more than 5 years	39'775	50'896
<b>Total Undiscounted lease payments</b>	<b>62'016</b>	<b>80'661</b>

### Accounting principles

#### Category

Leases

#### Accounting principles

The present value of financing leases is recognised in "non-current assets" and in current/non-current financial liabilities on the balance sheet when most of the contractual risks and rewards have been transferred to SKAN. Lease installments are divided into an interest and a repayment component based on the annuity method. Assets held under such finance leases are depreciated over the shorter of their estimated useful life and lease term.

Operating lease installments are recognised in the income statement on a straight-line basis over the lease term and disclosed in the notes to the consolidated financial statements.

## 10 Financial Risk Management

Due to its international reach, SKAN is exposed to financial risks such as currency, credit, liquidity and interest rate risks. SKAN applies a risk management policy that was approved by the Board of Directors. The overall risk management focuses on the unpredictability of devel-

opments on financial markets and aims to reduce negative effects on SKAN's financial situation. The risk policy defines the handling of risks as well as a structured process which prescribes the systematic monitoring of business risks. The Board of Directors is informed periodically about significant changes in the risk assessment and about the risk management activities performed.

### Risk

Currency risk

### Extent of risk

SKAN operates at international level and is exposed to the risk of foreign exchange fluctuation of various currencies. The risks relate mainly to EUR, USD and YEN. Other currencies have a minor impact.

Currency risks result from sales and expenses in foreign currencies, from the financing of subsidiaries as well as from non-current assets, liabilities and investments in foreign currencies.

### Risk management

Where possible, cash flows of individual group entities are hedged naturally (natural hedging, revenues and expenses are to a certain extent denominated in the same currency, which provides a natural hedge).

Further reduction of currency risk is achieved through the use of derivative financial instruments.

Credit risk

The maximum credit risk on financial instruments corresponds to its carrying amounts.

Apart from advance payment guarantees (for effected customer advance payments) there are no significant warranties and similar commitments that could lead to a risk above the carrying amounts of recognised assets. These advance payment guarantees are issued at the customer's request for effected advance payments. However, the maturities of these guarantees are limited to the duration of the respective milestone.

SKAN invests its cash and cash equivalents mainly in well-known Swiss banks (or their subsidiaries) with at least an A rating (Standard & Poor's). Additionally, banks in the USA, Japan, Belgium and Germany are used for local payment transactions.

According to the investment policy, these transactions occur only with creditworthy institutions.

In order to limit counterparty risks, cash and cash equivalents are distributed in a targeted manner between several banks.

Short-term financial investments have a maturity of less than 3 months.

The danger of concentration of risks for trade receivables is limited due to the large number and the wide geographical spread of customers. The extent of the credit risk is mainly determined based on each client's individual characteristics. The periodic risk assessment comprises a verification of the creditworthiness based on the customer's financial situation as well as on past experience. Furthermore, large projects are generally launched only after the receipt of the payment. Consequently, large customer projects are usually prefinanced.

Risk	Extent of risk	Risk management
Liquidity risk	Liquidity risk is the risk that SKAN will not be able to meet its financial obligations as they fall due.	<p>SKAN uses short-term forecasts for monitoring cash flow requirements and optimising its cash return on investments. Typically, SKAN ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations, and to cover usual fluctuations in funding requirements. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.</p> <p>In addition, SKAN maintains lines of credit to cover larger fluctuation and unforeseen impacts. Total unused lines of credit as at 31 December 2021 amounted to CHF 61.0 million (2020: CHF 52.1 million).</p>

Interest rate risk	The interest rate risk may involve either changes in future interest payments owing to fluctuations in market interest rates or the risk of a change in market value, i.e. the risk that the market value of a financial instrument will change owing to fluctuations in market interest rates.	<p>SKAN does not value fixed-rate liabilities at market values. Consequently, changes in interest rates do not have a significant impact on the income statement.</p> <p>SKAN is exposed to a minor interest rate risks on cash and cash equivalents. The existing financial liabilities have a fixed interest rate.</p>
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#### Derivative financial instruments for hedging purposes

	Positive fair value		Negative fair value		Purpose
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	
Foreign exchange	73	776	-861	75	Hedging
EUR forward	0	17	-614	11	
USD forward	65	759	-247	64	
JPY Forward	8	0	0	0	
Total derivative financial instruments					
Thereof derivatives held for hedging of future cash flows	-73	-776	861	-75	n/a
Total Recognized in balance sheet	0	0	0	0	n/a

#### Accounting principles

Category	Accounting principles
Derivative financial instruments	SKAN uses hedging instruments such as forward exchange contracts in order to hedge the currency risk resulting from expected sales of goods (cash flow hedges). Derivates used to hedge future cash flows were disclosed in the notes to the consolidated financial statements without being recognised in the financial statements.

#### 11 Other non-recognisable commitments

As at 31 December 2021, SKAN Stein AG has pledged its assets in the amount of kCHF 12'095 (2020: kCHF 0) and SKAN Deutschland GmbH has pledged assets amounting to kEUR 13'800 (2020: kEUR 13'800).

There are no other contingent liabilities from other obligations for the reporting period and previous year.

This section provides information on changes in SKAN's group structure due to acquisitions and disposals. Additionally, all directly and indirectly held investments are presented in the list of investments.

### 1 Changes in the Consolidation Scope

#### Disposal of Associates and Financial Assets

All the associated organizations of SKAN Group AG were sold during the financial year 2021. The shares in financial assets (Anecova SA) were reduced by 1.8%. Please refer to Note 4.2 for more details.

During 2021 the investments in Ziemer Group AG (see table below), Piexon AG (CHF 450'000) and Covalys Biosciences AG (CHF 60'000) were sold.

#### Disposal of Pharma Integration S.r.l.

As at 30 December 2020, SKAN AG sold its 56.12% investment in Pharma Integration S.r.l. The shares were sold at the nominal value of kEUR 6. Net assets (as at 30 December 2020) amounted to kCHF 2'378, whereby a loss on the sale of the net assets of kCHF 1'329 resulted at group level. This loss resulting from the sale was presented in the income statement under other operating expenses. Since Pharma Integration S.r.l. was mainly producing for SKAN AG, the divestment will not have a material impact on turnover and EBITDA for SKAN going forward.

Ziemer Group AG	in CHF thousands
Equity value 31.12.2020	11'036
Profit until 20.05.2021	1'124
Equity value 20.05.2021	12'160
Recycling of goodwill	10'995
Total sales price	24'856
Profit	1'701

2020	in CHF thousands
<b>Pharma Integration S.r.l.</b>	
Cash and cash equivalents	2'590
Receivables	2'407
Inventories and work in progress	15'048
Non-current assets	207
Liabilities	-17'873
<b>Net assets disposed</b>	<b>2'378</b>
Loss from sale of net assets	-2'372
Loss attributable to shareholders	-1'329
Loss attributable to minorities	-1'044
<b>Total sales price</b>	<b>6</b>

## 2 Group Companies

Name of the company, domicile	Country	Currency	Share capital	Votes and capital share 31.12.2021	Votes and capital share 31.12.2020	
SKAN Holding AG, Allschwil	Switzerland	CHF	189'750	100%	50%	directly held
SKAN AG, Allschwil	Switzerland	CHF	50'000	100%	50%	indirectly held
SKAN US, Inc. Raleigh, NC	USA	USD	0	100%	50%	indirectly held
SKAN JP, Okinawa	Japan	JPY	30'000'000	80%	40%	indirectly held
SKAN LLC, Raleigh, NC	USA	USD	0	100%	50%	indirectly held
SKAN Deutschland GmbH, Görlitz	Germany	EUR	25'000	100%	50%	indirectly held
SKAN Stein AG, Stein	Switzerland	CHF	100'000	100%	50%	indirectly held
Aseptic Technologies S.A., Gembloux	Belgium	EUR	17'356'640	60%	30%	indirectly held
Ziemer Group AG*	Switzerland	CHF	17'513'918	0%	21%	directly held
Anecova SA**	Switzerland	CHF	8'124'935	5%	7%	directly held
Covalys Biosciences AG***	Switzerland	CHF	446'935	0%	22%	directly held
Piexon AG****	Switzerland	CHF	601'741	0%	22%	directly held

\* The shares in Ziemer Group AG were sold on 20.05.2021.

\*\* A convertible loan has been converted, hence the reduction in the shares in the entity of 1.8%.

\*\*\* The shares in Covalys Bioscience AG were sold in the first half of 2021.

\*\*\*\* The shares in Piexon AG were sold in the first half in 2021.



## 5 Other Information

This section provides information and explanations that do not appear in other sections, such as, for example, employee benefit liabilities.

It also provides an overview of transactions with related parties and subsequent events after the balance sheet date.

### 1 Employee Benefit Liabilities

	Deficit/ Surplus	Economic share of the Group	Change for the period recognized in the income statement	Contributions accrued for the period (benefit)/ liability	Pension expenses in Personnel expenses
in CHF thousands	31.12.2021	31.12.2021	31.12.2021	2021	2021
Pension Plans without Surplus/Deficit	0	0	0	3'978	3'521
Pension Plans with Surplus	0	0	0	0	0
Pension Plans with Deficit	0	0	0	0	0
Pension Institutions without Own Assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3'978</b>	<b>3'521</b>

	31.12.2020	31.12.2020	31.12.2020	2020	2020
in CHF thousands	31.12.2020	31.12.2020	31.12.2020	2020	2020
Pension Plans without Surplus/Deficit	0	0	0	-819	2'947
Pension Plans with Surplus	0	0	0	0	0
Pension Plans with Deficit	0	0	0	0	0
Pension Institutions without Own Assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-819</b>	<b>2'947</b>

The disclosed pension expenses include only contributions to the pension institutions borne by the entity.

SKAN AG is affiliated to a collective pension plan. The coverage rate of pension institutions with full insurance is always 100%; any deficit or surplus is excluded due to the guarantees resulting from the insurance contract.

## Accounting principles

### Category

Pension benefits

### Accounting principles

SKAN has several pension plans that are all managed by legally independent institutions and comply with the legal requirements in the respective countries. The effective economic impact of pension plans on the consolidated financial statements of SKAN are assessed at each balance sheet date. An economic benefit is capitalised if permitted and intended to use the surplus to reduce future employer contributions. An economic obligation is recognised as a liability if the conditions for a provision are met. Existing employer contribution reserves are recognised as assets. Any economic impact resulting from the surplus or the deficit and the change in employer contribution reserves are recognised in "personnel expenses" in the income statement.

The employees of the SKAN entities in Switzerland are insured in legally independent pension funds. The pension institution is financed through periodic employer and employee contributions. The foreign pension plans are of limited significance.

## 2 IPO costs

The following non-incremental IPO-related expenses are included within "Other operating expenses" in the consolidated income statement as at 31 December 2021.

Item	in CHF thousands
Consultancy services	4'028
Incremental costs*	-1'550
Non-incremental costs	2'478

\*In addition to the incremental costs of kCHF 1'550 an amount of kCHF 2'822 related to consultancy services, Swiss Federal Issue Stamp Tax and bank commissions have been charged directly to the capital reserves in accordance with Swiss GAAP FER 24.

## 3 Restriction On The Transfer Of Shares

The Board of Directors can reject the transfer of shares if the acquirer is a competitor of the company or a person who works in or for a competing company of the SKAN Group or is directly or indirectly invested in a competing company. In addition, the Board of Directors can refuse the entry in the share register if the purchaser does not expressly declare that he/she has acquired the shares in his/her own name and for his/her own account.

## 4 Related Parties

Related parties (persons and entities) of SKAN are the members of the Board of Directors, the members of SKAN's group Management and shareholders of SKAN, that exercise, directly or indirectly, on their own or with others, a significant influence over the entity (voting right > 20%).

In the year under review, the legal fees including services rendered in connection with the IPO and tax advice directly attributable to law firm Lenz Caemmerer (Dr. Gert Thoenen, BoD member) amounted to CHF 78'013.

## 5 Subsequent Events After The Balance Sheet Date

Between the balance sheet dates for the consolidated financial statements for the year ended 31 December 2021 and 2020 and the date of the approval of these financial statements by the Board of Directors, no events occurred that would require a change in the consolidated financial statements for the year ended 31 December 2021, and 2020 or a disclosure in this section.

The Board of Directors of SKAN Group assessed the impact of the war between Russia and Ukraine, which broke out in February 2022 as well as the corresponding sanctions imposed on Russia with regards to any material effects on SKAN Group. At the time of approval of these consolidated financial statements, we do not see any material impact on the consolidated financial statements of SKAN Group.

## 6 Approval Of The Consolidated Financial Statements

The consolidated 2021 and 2020 financial statements were approved by the Board of Directors on 4 April 2022.



Phone +41 31 327 17 17  
Fax +41 31 327 17 38  
www.bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Berne

## REPORT OF THE STATUTORY AUDITOR

To the General Meeting of SKAN Group AG (formerly BV Holding AG), Allschwil

### Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the consolidated financial statements (pages 146 to 211) of SKAN Group AG, which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

#### Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.



#### Key Audit Matter

#### How our audit addressed the key audit matter

##### Valuation of customer projects

In 2021, the SKAN Group recognized long-term construction contracts of CHF 51 million (15% of total assets) in the balance sheet.

The recognition of profits on such contracts in accordance with Swiss GAAP FER 22 "Long-term contracts" is based on the stage of completion of each project. This is measured by reference to the proportion of contract costs actually incurred at balance sheet date relative to the estimated total costs of the contract at completion. Potential losses have to be recognized immediately.

In our view, the measurement of customer projects is a key audit matter because of the significance of the project business for the Group and accordingly also in the balance sheet and due to the high level of judgement in estimating the forecasted costs as well as net sales for these long-term contracts.

An inappropriate application of the percentage-of-completion method could result in a material variance in the amount of profit or loss recognized at the balance sheet date and thus also in the current period.

Refer to note 2.3 of the consolidated financial statements 2021.

We obtained an understanding of the relevant processes and control activities (including monitoring of projects and month-end procedures).

We also inquired those responsible for project controlling in order to gain a more in depth understanding of the project portfolio and the related risks and to challenge management's assumptions and estimates in the valuation of projects.

We performed test of controls and, on a sample basis, other substantive procedures of customer projects and their treatment in the consolidated financial statement as follows:

- We examined monthly project reportings and the work performed by the project managers, finance team and management
- We reconciled estimated total net sales to contractual agreements.
- We compared projects completed in 2021 with previous estimates to analyse the accuracy of estimates.
- We obtained detailed lists of accrued costs and reconciled them to the overall statement.
- We tested prepayments and payments received from customers and the allocation to the corresponding projects.
- We tested the project valuation calculations and reconciled the relevant information to the general ledger.
- We reconciled the threatened losses calculated in the project valuations to the provision recognized in the general ledger.



#### Key Audit Matter

#### How our audit addressed the key audit matter

##### Conversion from IFRS to Swiss GAAP FER

SKAN Group AG (formerly BV Holding AG) has decided to change its accounting standard from IFRS to Swiss GAAP FER for the financial year 2021 retroactively. When converting, paragraph 2 of Swiss GAAP FER 31 requires disclosures of prior year balances in accordance with Swiss GAAP FER.

We treated the change in accounting standard as a key audit matter for the following reasons:

The change in accounting standard and, in particular, the discontinuation of the status as an investment company in accordance with IFRS 10 has led to the initial consolidation of the companies previously held at fair value. The consolidation requirement as well as the conversion to Swiss GAAP FER contains significant judgements in defining new valuation principles.

The conversion had a material impact on several positions of the consolidated balance sheet and income statement including the previous year. In this retrospective consolidation, the recognition and measurement of goodwill and investments, the offsetting of goodwill against equity and the dissolution of long-term pension obligations and the corresponding deferred tax effects were the main effects of the change.

Impacts relating to the first-time adoption of Swiss GAAP FER are described in the consolidation and valuation principles (pages 158 to 160). The table of theoretical capitalization of the goodwill is disclosed in note 3.2.

We obtained an analysis of the material conversion impacts for the Group, which we critically examined and discussed with management.

We aligned and critically assessed new principles of valuation with requirements of Swiss GAAP FER.

We verified and reconciled the initial consolidation including the transitional effects from IFRS to Swiss GAAP FER as well as the table of theoretical capitalization of the goodwill as of 31 December 2020 including historical information as required on the basis of the documents prepared by the Group and the previous year's amounts. In addition, we performed arithmetical checks.

Moreover, we verified correct disclosure in the consolidated financial statements.

#### Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA \*) and that there are no circumstances incompatible with our independence.

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

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

Berne, 4 April 2022

BDO Ltd

Thomas Bigler  
Licensed Audit Expert

Bianca Knödler  
Auditor in Charge  
Licensed Audit Expert



# Financial Statements SKAN Group AG 2021

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# Income Statement

Income / in CHF	Note	2021	2020
Investment income	1.5	13'897'930	818'927
Dividend income	1.5 & 2.1	2'553'293	2'553'293
<b>Total Income</b>		<b>16'451'223</b>	<b>3'372'220</b>
<b>Expenses / in CHF</b>			
Loss from investments	1.6	1'620'609	448'840
Loss from long-term receivables	1.6	0	141'781
Personnel expenses		588'771	693'631
Administration expenses	2.6	3'179'452	295'500
<b>Total Expenses</b>		<b>5'388'832</b>	<b>1'579'752</b>
<b>Profit before Income Taxes</b>		<b>11'062'391</b>	<b>1'792'468</b>
Income taxes		200'928	12'046
<b>Profit for the Year</b>		<b>10'861'463</b>	<b>1'780'422</b>



# Balance Sheet

## Assets

Current Assets / in CHF	Note	31.12.2021	31.12.2020
Cash and cash equivalents		89'824'069	497'202
Other current receivables third party	1.1	182'989	81'612
Prepayments and accrued income		1	77'873
<b>Total Current Assets</b>		<b>90'007'059</b>	<b>656'687</b>

## Financial Assets / in CHF

Property, plant and equipment		0	1
Investments in subsidiaries	1.2 & 2.1	593'679'508	51'606'599
<b>Total Non-Current Assets</b>		<b>593'679'508</b>	<b>51'606'600</b>
<b>Total Assets</b>		<b>683'686'567</b>	<b>52'263'287</b>

## Liabilities and Equity

Current Liabilities / in CHF	Note	31.12.2021	31.12.2020
Other current liabilities to third parties	1.4	730	43'917
Accrued liabilities and deferred income	2.2	1'517'910	476'766
<b>Total Current Liabilities</b>		<b>1'518'640</b>	<b>520'683</b>

## Equity / in CHF

Share capital		224'835	3'665'036
Capital reserves			
Reserves from capital contributions	2.3	645'705'221	9'844'841
Statutory reserves		25'376'407	34'975'043
Retained earnings (incl. carry forward)			
Profit carried forward		10'861'463	3'260'890
Treasury Shares	2.4	0	-3'206
<b>Total Equity</b>		<b>682'167'926</b>	<b>51'742'604</b>
<b>Total Liabilities and Equity</b>		<b>683'686'567</b>	<b>52'263'287</b>

# Notes to The Financial Statements

## 1 Information about the Report

SKAN Group AG (the "Company") is the holding company of the SKAN Group and is headquartered in Allschwil, Switzerland. The Company had two employees until the end of November 2021 and did not have any employees for the remaining period.

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles, as set out in the Swiss Code of Obligations ("SCO") Art. 957 to 963b. All amounts are presented in Swiss francs ("CHF"), unless otherwise indicated. Group companies include all legal entities which are directly or indirectly owned and controlled by the Company.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the remeasurement of current assets and current liabilities denominated in foreign currencies are recognized in financial income and financial expenses.

The Company has prepared its consolidated financial statements according to Swiss GAAP FER. Consequently these financial statements and notes do not include additional disclosures, cash flow statement, equity statement and management report.

### 1.1 Other Current Receivables

All receivables are stated at nominal value less provision for bad debt, which is calculated on the basis of an individual assessment of the receivables. Each receivable is valued individually.

## 1.2 Investments

Investments in subsidiaries are recognized at cost less impairment charges and are valued according to the principle of individual valuation. The Company reviews the carrying amount of its investments on a yearly basis and if indicators suggest that the carrying amount may not be recoverable, a valuation adjustment is recognized in the income statement. Impairment charges are calculated on an individual basis.

### 1.3 Treasury Shares

The treasury shares are recognized at purchase price and are deducted from shareholders' equity. The gain or loss from sale of treasury shares is directly recognized in shareholders' equity as an increase or reduction in retained earnings.

The Company increased its share capital from CHF 104'715.30 to CHF 207'520.30 by issuing to the existing shareholders of SKAN Holding AG 10'280'500 registered shares with a nominal value of CHF 0.01 against contribution in kind of 49.54% of the shares in SKAN Holding AG (the "Quasi-Merger").

### 1.4 Other Current Liabilities

Liabilities are recognised at their nominal value.

### 1.5 Investment Income and Dividend Income

Investment income results from sale of investments. Dividend income from investments is recognized at the time of legal claim.

### 1.6 Loss from Investments and Long-Term Receivables

Loss from investments and long-term receivables results from the value adjustment and the loss resulting from sale of investments and long-term receivables.

## 2 Disclosures on Balance Sheet and Income Statements Items

### 2.1 Investments

Name of the company, domicile	Country	Currency	Share capital	Votes and capital share 31.12.2021	Votes and capital share 31.12.2020	
SKAN Holding AG, Allschwil	Switzerland	CHF	189'750	100%	50%	directly held
SKAN AG, Allschwil	Switzerland	CHF	50'000	100%	50%	indirectly held
SKAN US, Inc. Raleigh, NC	USA	USD	0	100%	50%	indirectly held
SKAN JP, Okinawa	Japan	JPY	30'000'000	80%	40%	indirectly held
SKAN LLC, Raleigh, NC	USA	USD	0	100%	50%	indirectly held
SKAN Deutschland GmbH, Görlitz	Germany	EUR	25'000	100%	50%	indirectly held
SKAN Stein AG, Stein	Switzerland	CHF	100'000	100%	50%	indirectly held
Aseptic Technologies S.A., Gembloux	Belgium	EUR	17'356'640	60%	30%	indirectly held
Ziemer Group AG*	Switzerland	CHF	17'513'918	0%	21%	directly held
Anecova SA**	Switzerland	CHF	8'124'935	5%	7%	directly held
Covalys Biosciences AG***	Switzerland	CHF	446'935	0%	22%	directly held
Piexon AG****	Switzerland	CHF	601'741	0%	22%	directly held

\* The shares in Ziemer Group AG were sold on 20.05.2021.

\*\* A convertible loan has been converted, hence the reduction in the shares in the entity of 1.8%.

\*\*\* The shares in Covalys Biosciences AG were sold in the first half of 2021.

\*\*\*\* The shares in Piexon AG were sold in the first half of 2021.

The significant increase in investment balance per year-end compared to 2020 is mainly a result of the capital increase through initial public offering and the share transfer from SKAN Holding AG shareholders to SKAN Group AG shareholders.

## 2.2 Accrued Liabilities and Deferred Income

in CHF	31.12.2021	31.12.2020
Income and capital taxes	201'144	0
KMPG IPO services	1'038'215	0
Legal costs	155'000	157'000
Audit fee	67'500	25'500
Sale of shares due to the dissolution of existing shareholder	44'266	0
Accrual share registry	11'084	1'000
Accident Insurance	702	0
Profit share Board of Directors	0	160'076
Fee Board of Directors	0	89'500
Bonus	0	37'690
Holiday accrual	0	6'000
<b>Total Accrued liabilities and deferred income</b>	<b>1'517'910</b>	<b>476'766</b>

### Accrued liabilities towards related parties

Accrued liabilities towards board members	0	249'576
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### Transactions with other related parties

In 2021 and 2020 there were no transactions with other related parties.

## 2.3 Reserves from Capital Contributions (Kapitaleinlagereserve)

in CHF	Total reserves from capital contributions
Opening balance per 01.01.2020	9'844'220
Repayment	621
<b>Closing balance per 31.12.2020</b>	<b>9'844'841</b>
Opening balance per 01.01.2021	9'844'841
Transfer to the statutory retained earnings for distribution	-9'111'834
Dividend payments from capital contributions	-733'007
Capital increase (10'280'500 new shares) through transfer of SKAN Holding AG shares	555'044'195
Capital increase (1'731'464 new shares) through Initial Public Offering	90'661'026
<b>Closing balance per 31.12.2021</b>	<b>645'705'221</b>

## 2.4 Treasury Shares

in CHF	Number of treasury shares	Average share price
Balance treasury shares per 01.01.2020	513	6.25
Acquisition 2020	0	0
Sale 2020	0	0
<b>Balance treasury shares per 31.12.2020</b>	<b>513</b>	<b>6.25</b>
Balance treasury shares per 01.01.2021	513	6.25
Acquisition 2021	0	0
Sale 2021	513	6.25
<b>Balance treasury shares per 31.12.2021</b>	<b>0</b>	<b>0</b>

## 2.5 Shareholder Base

### Significant Shareholders

According to the share register, following shareholders own per balance sheet date more than 3% of the shares in the SKAN Group AG:

Name	Number of shares per 31.12.2021	in % of share capital	Number of shares per 31.12.2020	in % of share capital
Dr. h. c. Willy Michel, Gümligen	3'904'951	17.4%	6'204'951	59.3%
Th. Plattner, Muri b. Bern	3'497'466	15.6%	912'724	8.7%
Baumann Peter, Fürigen	2'197'278	9.8%	0	0.0%
Catum GmbH, Engelberg	1'006'479	4.5%	0	0.0%
Huber Thomas Martin, Münchenstein	683'905	3.0%	3'812	0.0%
Aktionärsgruppe Keller, Diepoldsau <sup>5</sup>	-	-	760'000	7.3%
E. & C. Balmer, Burgdorf <sup>5</sup>	-	-	560'588	5.4%
H.U. Müller, Muri b. Bern <sup>5</sup>	-	-	446'218	4.3%

### Shares owned by board members

The board members own per balance-sheet date the following number of shares:

Name	Function	Number of shares per 31.12.2021	in % of share capital	Number of shares per 31.12.2020	in % of share capital
Dr. Gert Thoenen <sup>1</sup>	Chairman	331'174	1.5%	28'821	0.0%
Oliver Baumann <sup>1</sup>	Member	0	0.0%	0	0.0%
Cornelia Gehrig <sup>1</sup>	Member	0	0.0%	0	0.0%
Thomas Huber <sup>1</sup>	Member	683'905	3.0%	3'812	0.0%
Dr. Beat Lüthi <sup>1</sup>	Member	0	0.0%	0	0.0%
Gregor Plattner <sup>1</sup>	Member	636'504	2.8%	0	0.0%
Patrick Schär <sup>1</sup>	Member	1'000	0.0%	3'281	0.0%
Ernst Balmer <sup>2</sup>	Chairman	-	-	560'588	5.4%
Dr. h.c. Willy Michel <sup>2</sup>	Member	-	-	6'204'951	59.3%
PD Dr. med. Rubino Mordasini <sup>2</sup>	Member	-	-	49'365	0.5%
Thomas Plattner <sup>2</sup>	Member	-	-	912'724	8.7%

### Shares owned by management

Management own per balance sheet date the following number of shares:

Name	Function	Number of shares per 31.12.2021	in % of share capital	Number of shares per 31.12.2020	in % of share capital
Thomas Huber <sup>3</sup>	CEO	683'905	3.0%	3'812	0.0%
Michel Gasser <sup>3</sup>	CSO	2'625	0.0%	0	0.0%
Cornelia Henny-Weiss <sup>3</sup>	COO	0	0.0%	0	0.0%
Philippe Jérôme <sup>3</sup>	CMO	47'325	0.2%	0	0.0%
Burim Maraj <sup>3</sup>	CFO	20'489	0.1%	4'834	0.0%
Bernd Naumann <sup>3</sup>	CTO & Deputy CEO	45'946	0.2%	0	0.0%
Sascha Pawel <sup>3</sup>	CIO	183'786	0.8%	0	0.0%
Fabienne Schmid <sup>3</sup>	CO HR	26'247	0.1%	0	0.0%
Martin Steegmüller <sup>3</sup>	CPO & CDO	5'218	0.0%	0	0.0%
Thomas Zinn <sup>3</sup>	CCO	0	0.0%	0	0.0%
Patrick Schär <sup>4</sup>	CEO	1'000	0.0%	3'281	0.0%

<sup>1</sup> In office since 4 October 2021

<sup>2</sup> In office until 4 October 2021; is not a member of Board of Directors as of 31 December 2021. Therefore no disclosure.

<sup>3</sup> Member of Executive Management since 4 October 2021

<sup>4</sup> Resigned as of 4 October 2021

<sup>5</sup> Threshold of 3% for disclosure is not reached as of 31 December 2021



## 2.6 Administrative Expenses

in CHF	31.12.2021	31.12.2020
Legal and consultancy fees	3'061'079	204'700
Marketing and representation	48'690	38'069
Bank charges	13'781	9'700
Other expenses	55'901	43'031
<b>Total Administration expenses</b>	<b>3'179'452</b>	<b>295'500</b>

## 3 Other Information

### 3.1 Pension Scheme Liabilities

in CHF	31.12.2021	31.12.2020
Current liabilities towards Swiss Compensation Office (Ausgleichskasse)	0	43'902

### 3.2 Full-Time Equivalents

The annual average number of full-time equivalents for the reporting period did not exceed 50 (2020: did not exceed 50).

### 3.3 Audit Fee

The audit fee consists of the following:

in CHF	31.12.2021	31.12.2020
Audit fee	190'988	53'290
Other services (including IPO)	209'909	3'300

### 3.4 Subsequent Events after the Balance Sheet Date

No significant events occurred after the balance sheet date of 31.12.2021. Events after the balance sheet date were considered until 04.04.2022. On this date, the financial statements were approved by the Board of Directors of SKAN Group AG.

The Board of Directors of SKAN Group AG assessed the impact of the war between Russia and Ukraine, which broke out in February 2022 as well as the corresponding sanctions imposed on Russia with regards to any material effects on SKAN Group AG. At the time of approval of these financial statements, we do not see any material impact on the financial statements of SKAN Group AG.

# Appropriation of Retained Earnings

in CHF	2021	2020
Profit carried forward per 1 January	3'260'890	1'480'468
Allocation to retained earnings	18'729'323	0
Dividend distributed on 14.07.2021	-21'990'213	0
Profit for the year	10'861'463	1'780'422
Distributable retained earnings to shareholders	10'861'463	3'260'890

# Proposal for the Appropriation of Retained Earnings by the Board of Directors

in CHF	2021	2020
Distributable retained earnings to shareholders	10'861'463	3'260'890
Allocation to free reserves	0	0
Dividend <sup>1</sup>	-5'396'046	0
Balance to be carried forward	5'465'417	3'260'890
Total Dividend distribution	5'396'046	
Thereof from capital contribution reserves ("KER")	-2'698'023	
Thereof from retained earnings	2'698'023	

Since the statutory capital reserves have reached 50% of the share capital, no further allocation is deemed necessary.

<sup>1</sup>

The dividend is based on the total shares outstanding as per 31.12.2021. There is no dividend distributed for treasury shares.



Phone +41 31 327 17 17  
Fax +41 31 327 17 38  
www.bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Berne

## REPORT OF THE STATUTORY AUDITOR

To the General Meeting of SKAN Group AG (formerly BV Holding AG), Allschwil

### Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the financial statements (pages 218 to 233) of SKAN Group AG, which comprise the balance sheet as at 31 December 2021, the income statement and notes for the year then ended.

#### Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

#### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



#### Key Audit Matter

#### How our audit addressed the key audit matter

##### Existence and valuation of investments

As of 31 December 2021 the financial statements show investments in subsidiaries totalling CHF 594 Mio. compared to CHF 52 Mio. in the previous year. This corresponds to 87% of total assets. Investments in subsidiaries are recognized at historical cost less any adjustments for impairments. As of 31 December 2021 no impairment was recognized.

In our view this item, which is very large in amount, was a key audit matter because of the following three reasons:

- Substantial increase due to the contribution in kind of Skan Holding AG.
- Disinvestment of historical participations due to the new purpose of SKAN Group AG.
- Management's valuation method for evaluating the need for any impairment charges involves a higher degree of management judgment.

The company's disclosures on investments in subsidiaries are included in notes 1.2 and 2.1 to the financial statements.

##### Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA \*) and that there are no circumstances incompatible with our independence.

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

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

Berne, 4 April 2022

BDO Ltd

Thomas Bigler

Licensed Audit Expert

Bianca Knödler

Auditor in Charge  
Licensed Audit Expert

**SKAN AG** Kreuzstrasse 5  
4123 Allschwil, Switzerland

**SKAN Stein AG** Industriestrasse 3  
4332 Stein, Switzerland

**SKAN Deutschland GmbH** Nickrischer Strasse 2  
02827 Görlitz/Hagenwerder, Germany

**SKAN US, Inc.** 7409 ACC Blvd., Suite 200  
Raleigh, NC 27617, USA

**SKAN Japan** 5194-61 Katsuren-Haebaru Uruma-shi  
Okinawa 沖縄県 904 2311, Japan 日本

**Aseptic Technologies S.A.** Rue Camille Hubert 7-9  
5032 Gembloux / Les Isnes, Belgium