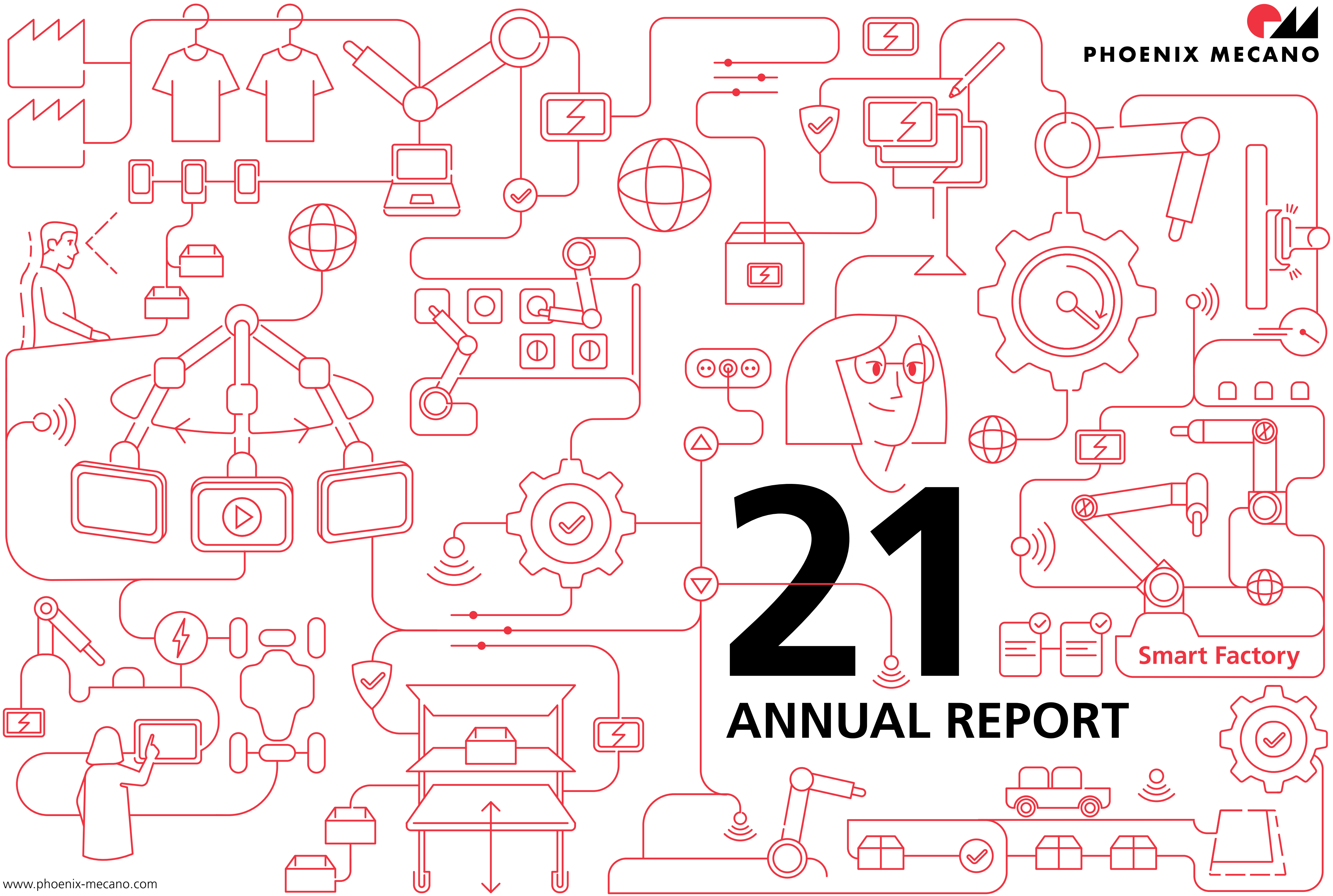
PHOENIX MECANO

21 ANNUAL REPORT



www.phoenix-mecano.com

KEY FIGURES OF THE PHOENIX MECANO GROUP

	Units	2021	2020	2019	2018	2017
KEY FINANCIAL FIGURES						
Gross sales	EUR million	817.0	687.4	680.0	650.8	627.6
Change	%	18.8	1.1	4.5	3.7	7.6
Operating cash flow (EBITDA)	EUR million	66.2	48.2	48.8	74.0	59.7
Change	%	37.4	–1.3	–34.0		1.0
in % of sales	%	8.1	7.0	7.2	11.4	9.5
Operating result	EUR million	43.9	22.4	23.4	51.3	30.7
Change	%	95.9	–3.9	–54.5		–10.9
in % of sales	%	5.4	3.3	3.4	7.9	4.9
in % of net operating assets	%	14.0	7.6	7.8	17.3	10.4
Result of the period	EUR million	30.1	8.9	13.9	36.1	21.9
Change	%	239.1	–36.2	–61.5		–4.7
in % of sales	%	3.7	1.3	2.0	5.5	3.5
in % of equity	%	12.3	4.6	6.4	13.5	8.1
Total assets/capital	EUR million	617.0	545.0	488.1	453.4	471.8
Equity	EUR million	244.2	192.3	217.3	268.0	269.7
in % of total assets	%	39.6	35.3	44.5	59.1	57.2
Net indebtedness	EUR million	80.5	115.4	88.1	33.9	38.1
in % of equity	%	33.0	60.0	40.5	12.7	14.1
Cash flow from operating activities	EUR million	54.8	27.8	43.6	37.9	37.1
Free cash flow	EUR million	26.9	10.4	18.0	12.9	11.4
Purchases of tangible and intangible assets	EUR million	29.6	27.8	26.1	25.6	26.0
SHARE INDICATORS						
Share capital (bearer shares with a par value of CHF 1.00)	CHF	960 500	960 500	960 500	960 500	960 500
Shares entitled to dividend [1]	Number	960 311	960 009	959 500	959 500	959 500
Operating result per share [3]	EUR	45.8	23.4	24.3	53.5	32.0
Result of the period per share [3]	EUR	31.4	9.2	14.5	37.6	22.9
Equity per share [3]	EUR	254.3	200.4	226.5	279.3	281.1
Free cash flow per share [3]	EUR	28.0	10.8	18.7	13.5	11.9
Dividend	CHF	15.00 [2]	8.00	10.00	17.00	16.00
Market price						
High	CHF	502	494.50	519	728	614
Low	CHF	396	312	374	456	475
Year-end price	CHF	405.50	464.50	478.50	503	614

1 As at the balance sheet date, the company owned 189 treasury shares, which are not entitled to dividend.
2 Proposal to the Shareholders' General Meeting on 20 May 2022.
3 Based on shares entitled to dividend as at 31 December.

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly.
The year 2017 is presented according to IFRS.

PHOENIX MECANO 2021

MANAGEMENT REPORT

SUSTAINABILITY

CORPORATE GOVERNANCE

REMUNERATION REPORT

FINANCIAL REPORT

ANNEX

WORLDS OF VALUE

Real-life examples illustrate the application of Phoenix Mecano's highly specialised niche products and demonstrate their benefits in the context of the Smart Factory megatrend.

Letter to shareholders

DEAR SHAREHOLDERS

The Phoenix Mecano Group can look back on a successful 2021, a year in which our company achieved strong growth in incoming orders, sales and income. However, we encountered a variety of challenges along the way. The global pandemic, with its recurring waves and constantly emerging virus variants, led to a lack of predictability, limited availability of essential raw materials and transport capacity, and – ultimately – cost increases the like of which we had not seen on world markets in 40 years.

In this environment, our Group's global set-up and decentralised decision-making structures once again proved their worth. Our diverse range of services and high level of flexibility allowed us to provide optimal support to our customers through this difficult period. Global manufacturing of flexible product platforms coupled with local customisation for our B2B customers is in greater demand now than ever before. We assist our business partners with engineering and design, ensure fit-for-purpose product certification, and take on a wide range of logistics services so that our customers can produce and deliver their high-tech products with the fewest possible restrictions, even in turbulent times.

It is no coincidence that Phoenix Mecano has been growing strongly for years, and has done so throughout the pandemic. We believe that with our strategy and range of services and products we have focused on the right megatrends from early on. This includes smart factory equipment, which allows economic growth and the supply of modern, sustainably produced industrial goods at a time of increasing interdependence and a global shortage of skilled workers. Another example is our range of smart furniture products, which meet the demands for comfort, ergonomics and connectivity in the smart home and whose double-digit growth rates have been contributing to our Group's development for over a decade.

The challenge posed to health systems by the pandemic now seems increasingly manageable, at least in the West, but the world is already facing new challenges. The Ukraine conflict highlights how fragile the world order has become. Our Group will have to deal with these conditions too and find ways to create and preserve value for employees, customers, shareholders and society as a whole, to the best of our ability.

A partial initial public offering (IPO) of our DewertOkin Technology Group (DOT) division in China is a goal to which we remain committed. However, due to the pandemic and the associated economic upheaval, the time frame has been pushed back by one to two years compared with our original plans. Thanks to the excellent cash flow generated by our business areas, the DOT Group's growth financing is secured for the period up to the IPO. Our industrial business in the Enclosure Systems and Industrial Components divisions is also performing well and will of course receive the investment funds needed to pursue its ambitious growth trajectory.

SALES IN EUR MILLION

817.0

GROWTH IN SALES IN %

+18.8

Benedikt A. Goldkamp
Executive Chairman of the Board of Directors

Dr Rochus Kobler
CEO

THANK YOU TO OUR EMPLOYEES

For our employees, 2021 was another year of restricted contact, videoconferences and working from home. Thanks to Phoenix Mecano's strong team culture and our people's determination to achieve the extraordinary even under these circumstances, we were able to maintain and expand our services to customers. But let's be under no illusion: this team culture has been built up over years of in-person meetings and visits to colleagues and customers all over the world – things which have been virtually impossible, in this form, for two whole years.

Our thanks therefore go to all those who have met these challenging conditions head on and helped to keep the business moving. We should mention in particular the new employees who have joined us in the past two years, whose entry into the Group was made much more difficult by the pandemic. We now have increasing opportunities for face-to-face interaction once again, allowing us to rekindle and replenish the team spirit that has stood us in such good stead over the past couple of years. We are confident that we can do this and that Phoenix Mecano will remain a great employer for many more talented and motivated people in the future.

It is no coincidence that Phoenix Mecano has been growing strongly for years, and has done so throughout the pandemic.

OPERATING RESULT PER SHARE IN EUR

45.8

PROPOSED DIVIDEND IN CHF

15.00

OUTLOOK AND DIVIDEND

Even in uncertain and unpredictable times, it is important to look ahead. In recent years, the Phoenix Mecano Group has demonstrated its flexibility and ability to adapt to challenging conditions, and it is precisely this ability that allows us to look forward with confidence, even in the current situation. Our portfolio of technologies, skills and expertise is increasingly in demand to prepare the world for the great challenges of the future. The ageing of industrial societies, the need to create a resource-conserving circular economy, and the irreversible interconnection of processes and information in physical and virtual markets require a range of solutions that create diverse growth opportunities for companies like Phoenix Mecano. We will exploit these opportunities so that we can continue to offer our stakeholders added value going forward.

Our Group is charting a successful course, and we want our shareholders to be part of this. Thanks to the Group's stable balance sheet and strong cash flow, the Board of Directors is able to propose a dividend payment of CHF 15 (previous year: CHF 8) to the Shareholders' General Meeting.

We firmly believe that a well-run industrial company must be decentralised and broad-based in order to find effective solutions to rapidly changing market conditions. This is also, indeed especially, true at times when global value chains are coming under scrutiny and the fragility of poorly diversified just-in-time delivery systems is becoming apparent. The widespread calls for resilience highlight the importance of having a plan B and plan C in reserve, as far as possible, for when seemingly optimal structures suddenly become obsolete due to unforeseeable developments. We are well placed to cope with these contemporary challenges, and can therefore look to the future with cautious optimism

Dr Rochus Kobler
CEO

Benedikt A. Goldkamp
Executive Chairman of the Board of Directors

Our Group is charting a successful course, and we want our shareholders to be part of this.

Global competence, local value

The Group is present on all six economically relevant continents. Over time, Phoenix Mecano's more than 60 subsidiaries worldwide have been split into three divisions: DewertOkin Technology Group, Industrial Components and Enclosure Systems. Importantly, however, knowledge is transferred between the divisions, allowing the Group to offer its customers comprehensive solutions. Its proximity to customers fosters strong customer loyalty and enables it to offer the same range of consistently high-quality products and services worldwide.

This divisional structure has been in place since 1 January 2021. Only the 2020 figures have been converted for comparison.

The Phoenix Mecano Group is a global player in the enclosures and industrial components segments and is a leader in many markets. It is geared towards the manufacture of niche products and system solutions.

DEWERTOKIN TECHNOLOGY GROUP

With its headquarters in Jiaxing, Zhejiang, China, the DewertOkin Technology Group manufactures drive, system and fittings technology for electrically adjustable comfort and healthcare furniture. At its production sites in Europe, North America and Asia, it makes individual mechanical components for a range of applications as well as customised and coordinated system solutions. DewertOkin's drive technology is widely used in smart furniture (such as recliner sofas and chairs, cinema seats, massage chairs and beds), medical applications (e.g. hospital and nursing beds) and control systems for height-adjustable desks.

Key Figures in EUR million	2021	2020
Gross sales	392.8	320.2
Purchases of tangible and intangible assets	17.5	13.5
Operating result	2.1	7.2
Margin in %	0.5	2.3
Employees	2 623	2 499

INDUSTRIAL COMPONENTS

The Industrial Components division focuses on industrial digitalisation and modular automation solutions, It comprises four business areas: Automation Modules, Electrotechnical Components, Rugged Computing and Measuring Technology. The Automation Modules business area produces linear units and lifting columns, aluminium profile and pipe connection systems, as well as ergonomic workstation systems. The Electrotechnical Components business area specialises in manufacturing terminal blocks, connector systems, test probes, series terminals and switches for industrial electronics. The Rugged Computing business area manufactures industrial PC systems as well as highly reliable power supplies and backplanes, while the Measuring Technology business area focuses on current measuring systems, transformers and instrument transformers.

Key Figures in EUR million	2021	2020
Gross sales	226.4	196.6
Purchases of tangible and intangible assets	5.2	8.2
Operating result	17.7	−0.5
Margin in %	7.8	−0.3
Employees	3 286	2 869

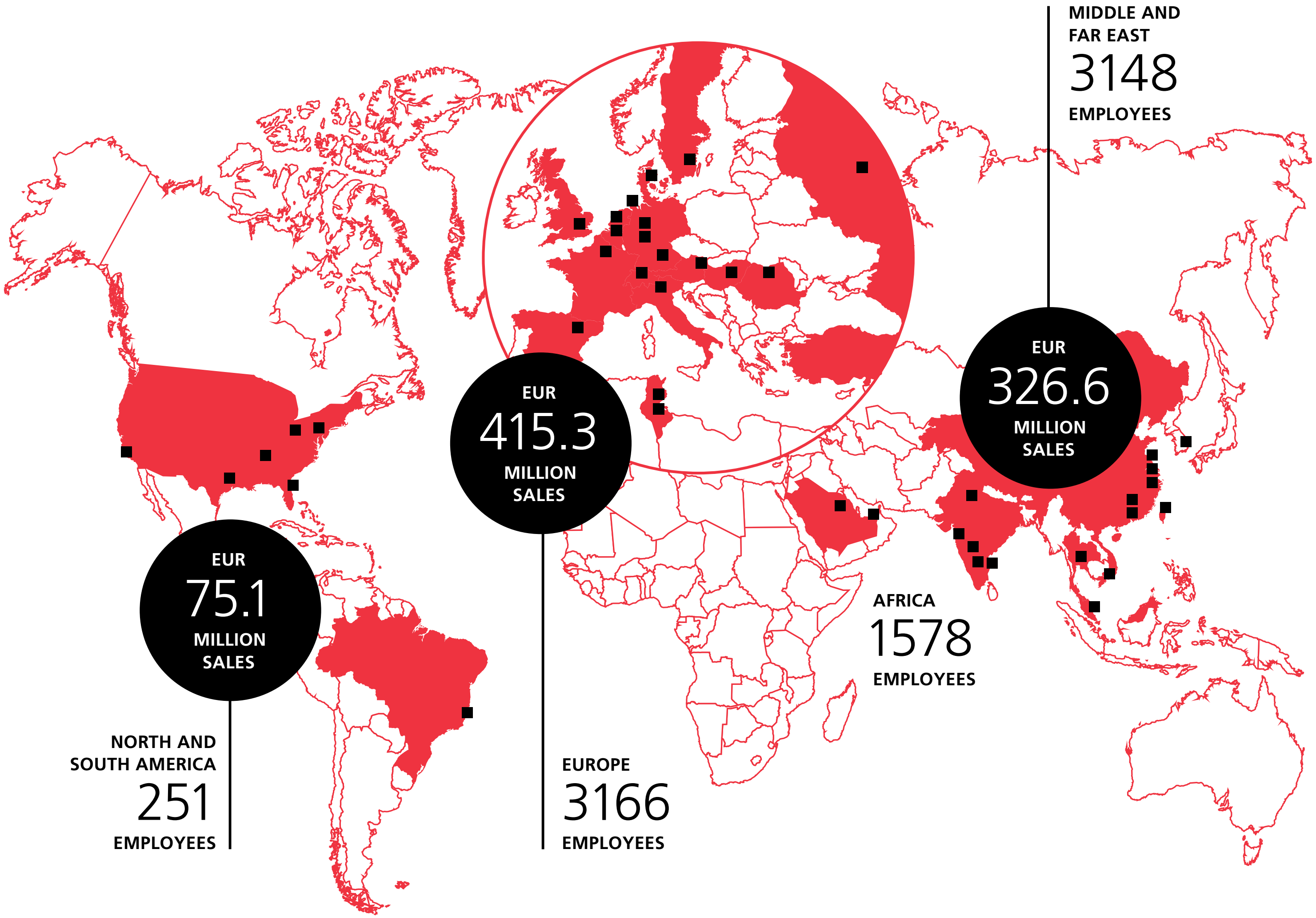
ENCLOSURE SYSTEMS

The Enclosure Systems division develops and produces high-quality industrial and electronic enclosures made of aluminium, stainless steel and plastic. These are used in potentially explosive atmospheres, among other applications. Its product range also includes complete human-machine interface solutions consisting of panel PCs, industrial PCs and industrial monitors, as well as input units such as membrane keypads, short-stroke keys and touchscreens.

Key Figures in EUR million	2021	2020
Gross sales	197.8	170.6
Purchases of tangible and intangible assets	5.4	5.0
Operating result	26.7	17.1
Margin in %	13.5	10.0
Employees	2 190	2 017

Global commitment

8143 employees around the globe offer a comprehensive range of products and services in all important growth markets. They guarantee customers market-driven solutions, efficient production and resource-saving logistics.

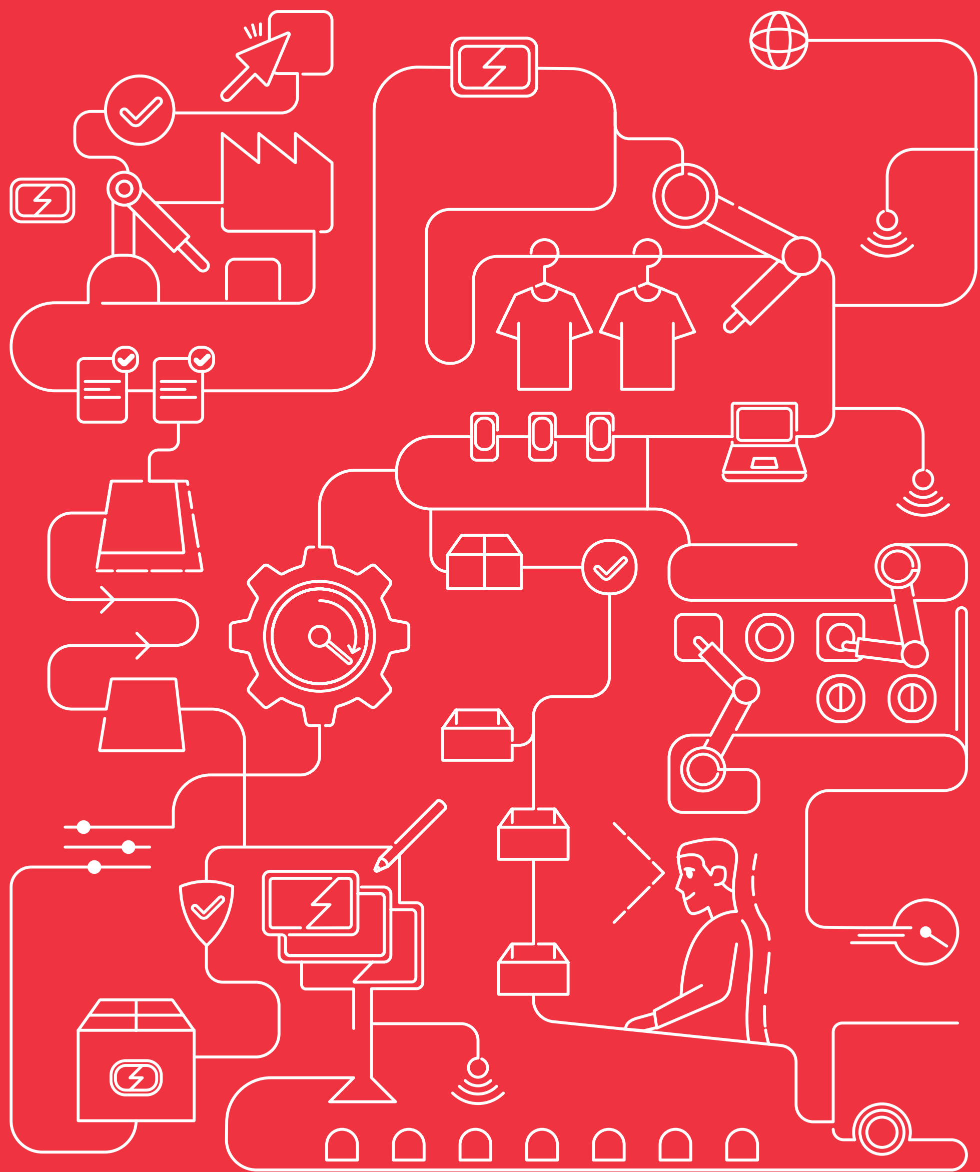


EMPLOYEE KEY FIGURES AT A GLANCE

	2021	2020	2019	2018	2017
BY REGION					
Europe	3 166	3 132	3 236	3 360	3 385
Middle and Far East	3 148	2 876	2 401	2 092	1 834
Africa	1 578	1 177	1 241	1 579	1 275
North and South America	251	229	262	267	250
Australia	0	12	17	18	15
Total	**8 143**	**7 426**	**7 157**	**7 316**	**6 759**

	2021	2020	2019	2018	2017
BY GENDER					
Women	3 583	3 158	2792	3185	3050
Men	4 560	4 268	4365	4131	3709
Personnel expenses per employee in 1000 EUR	**27.0**	**27.7**	**29.8**	**26.7**	**28.7**
Gross sales per employee in 1000 EUR	**100.3**	**92.6**	**95.0**	**89.0**	**92.9**

Megatrend smart factory



The smart factory is a modular and interconnected production environment in which humans, machines and logistics interact, communicate and work closely together. Phoenix Mecano products and systems have a key role to play in this regard.

Using a mechanical arm, the American George Devol developed the first industrial robot, Unimate, in 1956. Today, smart factories are the megatrend and production method of the future. In a smart factory, production environments, manufacturing facilities and logistics systems communicate with each other wirelessly and the product itself conveys information required for manufacturing. This means that cooperation between humans and machines is becoming ever closer.

Phoenix Mecano is helping to shape this trend: the Group is building its own smart factory in Jiaxing, near Shanghai, and is also deploying these technologies in its manufacturing processes. What's more, Group companies are supplying their customers with smart factory systems and solutions.

The Phoenix Mecano Group is increasingly evolving from a pure component manufacturer to a provider of system solutions. This means that modular stand-alone products are increasingly being combined into assemblies, subsystems or complete solutions. These in turn are integrated into the networked manufacturing environment of a smart factory, where they perform important functions.

Such systems are used, among other things, where humans and machines work together. They include ergonomic workstations equipped with digital assistance systems, as well as human-machine interfaces consisting of industrial PCs and swivelling support arm systems, such as those used on production lines in the automotive industry.

Other examples are assistive robots such as collaborative robotic arms and autonomous transport robots that can be easily programmed for specific activities, as well as automation solutions for transporting and controlling goods in warehouse environments.

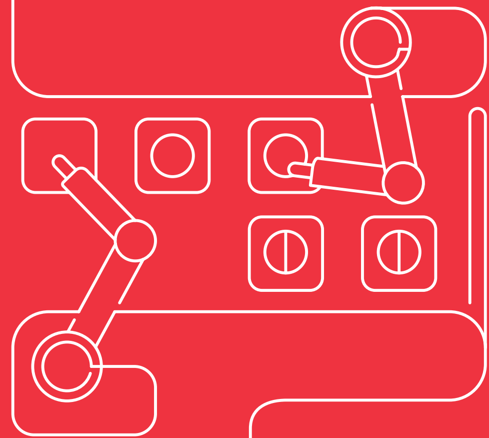
Further advances in the modularisation, automation and digital connectivity of industrial manufacturing environments are likely in the future. Phoenix Mecano's offering will be integral to this trend, with suitable products, systems and solutions in the pipeline.

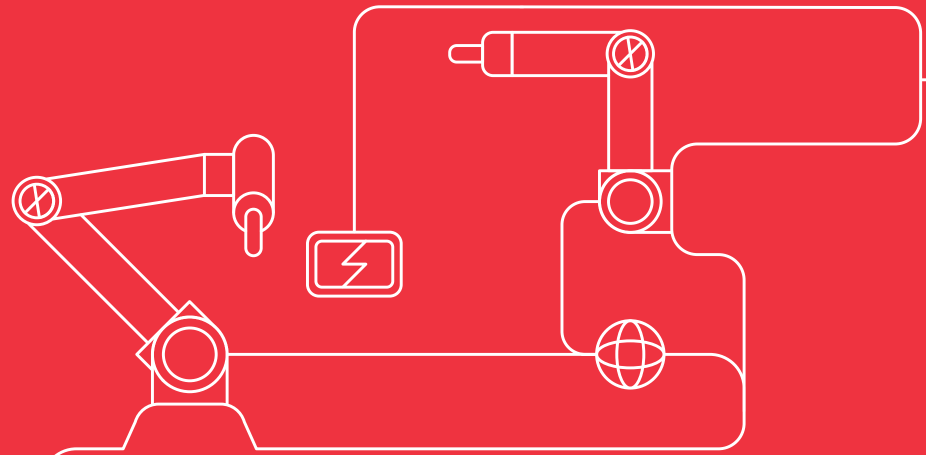
Human-robot teamwork

Cobots and transport robots ease pressure on manufacturing staff and boost productivity. Phoenix Mecano uses these technologies in-house and implements them for its customers.

APPLICATION

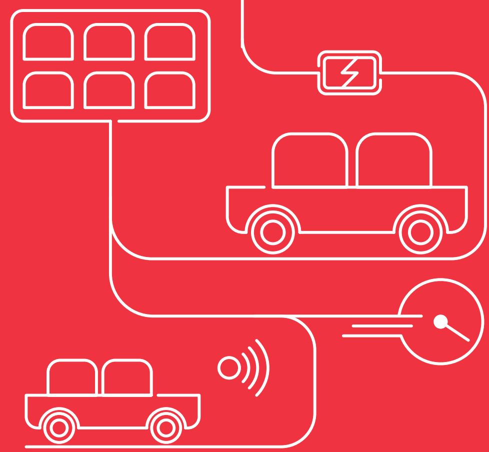
Cobots assist humans with monotonous, tedious and repetitive work and can even relieve them entirely of physically demanding tasks. To ensure seamless collaboration between robots and employees, systems are tailored to the specific needs of customers. Thanks to its experience at its own production facility, Phoenix Mecano Komponenten AG can integrate supporting robot systems into its customers' workflows effectively and efficiently.





PRODUCT

Collaborative robots, or 'cobots', work hand in hand with humans, without the need for protective devices. Phoenix Mecano Komponenten AG uses these innovative solutions at its own production facility in Stein am Rhein, Switzerland. Assembly cobots have up to six joints and can lift loads between 3 and 16 kg. Transport robots are also deployed: they criss-cross the factory, delivering materials and products to a specific assembly or storage location as and when required. They navigate autonomously and can recognise and avoid people and obstacles. Phoenix Mecano Komponenten AG is an official partner for the implementation of cobots manufactured by Universal Robots and transport robots made by Mobile Industrial Robots.



BENEFITS

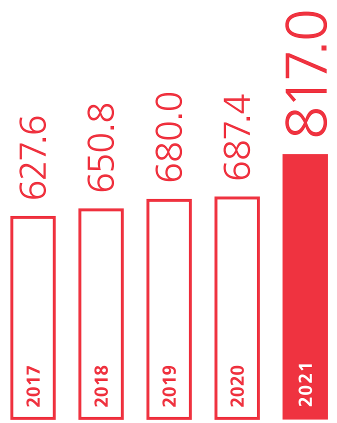
Cobots and transport robots save time and ease pressure on staff, freeing up employees to focus on activities that require human skills. Cobots increase reliability in the production process and reduce assembly effort by up to 40 %. Mobile transport robots optimise and automate internal material flows and open up an array of new possibilities in intralogistics. Thanks to their compact dimensions and simple programming, the systems can be configured for new work processes in just a few minutes. This guarantees a high level of utilisation and a quick payback time. What's more, they support paperless operations as accompanying and shipping documents are all electronic and are integrated into operational systems.

MANAGEMENT REPORT

Group business performance

The Phoenix Mecano Group's unwavering focus on megatrends and growth areas such as digitalisation and automation paid dividends in financial year 2021. All divisions recorded double-digit sales growth and the Group saw a disproportionate increase in profitability.

GROUP GROSS SALES IN EUR MILLION



Phoenix Mecano continued to grow during the coronavirus crisis, even though in many places the global industrial sector experienced double-digit slumps and only managed to return to pre-crisis levels in the last 12 months. This remarkable achievement is the result of its steadily increasing independence from industry-driven investment cycles in the end markets of the consumer durables industry. The associated high rate of growth – throughout the pandemic – is attributable to a systematically pursued growth strategy. This saw the Group grow organically for the most part, thanks to a strategic increase in the proportion of value added generated in-house and a targeted expansion of its range of integrated system solutions. These consist of multiple mechanical components combined with cutting-edge electronic interfaces, backed up by vital integration work and engineering services. Phoenix Mecano offers the complete package, from product development to providing the integrated and tested system solution.

Operationally speaking, the second year of the COVID-19 pandemic presented further considerable challenges. Regional lockdowns caused repeated disruptions to supply chains. The persistent shortage and high cost of transport capacity as well as sharp increases in the prices of various industrial metals and plastic pellets had an impact on all divisions. But thanks to its global presence, the Phoenix Mecano Group was able to open up alternative sources of supply. Necessary price adjustments were passed onto the market quickly yet cautiously.

However, the top priority during the pandemic was always the health of our employees. It was their collective efforts that allowed us to maintain delivery services for our customers, despite component shortages and pandemic-related restrictions. This formed the basis for the Group's successful results in 2021.

FIVE-YEAR FIGURES

	Units	2021	2020	2019	2018	2017
Incoming orders	EUR million	888.9	766.0	691.6	659.4	642.3
Gross sales	EUR million	817.0	687.4	680.0	650.8	627.6
Operating result	EUR million	43.9	22.4	23.4	51.3	30.7
in % of sales	%	5.4	3.3	3.4	7.9	4.9
Equity	EUR million	244.2	192.3	217.3	268.0	269.7
Net indebtedness	EUR million	80.5	115.4	88.1	33.9	38.1
in % of equity	%	33.0	60.0	40.5	12.7	14.1
Equity ratio	%	39.6	35.3	44.5	59.1	57.2

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly. The year 2017 is presented according to IFRS.

BUSINESS ACTIVITY

Structural growth in end markets for comfort furniture continued unabated, enabling the DewertOkin Technology Group (DOT Group) to gain additional market share and consolidate its leadership position. Phoenix Mecano's fastest-growing division increased its annual sales significantly, although momentum slowed somewhat towards the end of the year. On the other hand, huge hikes in the cost of steel, copper, aluminium, electronic components and freight capacity impacted the division's profitability. There were also pandemic-related transport bottlenecks. The immediate introduction of cost-cutting programmes was unable to fully offset the increases in material costs, meaning that higher prices for steel, aluminium, copper and plastic pellets had to be passed on to customers. However, the high-volume, global value chains in the furniture industry and the long-term nature of supply contracts mean that it will be some time before the effects show up in earnings. In spite of this, the division made further investments in additional capacity and its digitalisation initiatives in this growth business. These also had a noticeable impact on the division's result; however, they form the strategic foundation for the further long-term success of the DOT Group and its planned partial IPO in China. Boosting the division's profitability will be a key focus in 2022.

The Industrial Components division also achieved double-digit sales growth. The EBIT figures clearly confirmed the sustainability of the division's turnaround following its realignment. This success is the result of the division's clear focus. Profitability continued to develop positively as a result of the systematic consolidation of locations and activities and the streamlining of product areas and ranges. Business activity increased significantly in mechanical engineering and the automation sector. Applications for railway and energy technology and the medical sector were also in high demand. With its innovative products, the division successfully opened up new business opportunities in up-and-coming sectors such as space and satellite technology and electromobility.

Thanks to its state-of-the-art industrial and electronic enclosures, the Group's most profitable division, Enclosure Systems, also saw double-digit growth. Amid a cross-sector recovery, end markets developed positively and all business areas grew significantly. System solutions involving electronic enclosures for the renewable energy and electromobility sectors saw particularly high growth rates. Internationally, there were also high levels of innovation and development activity linked to the Internet of Things and industry digitalisation, which greatly fuelled demand for integrated enclosure solutions.

SALES AND PROFITABILITY

Another sharp rise in incoming orders

Consolidated incoming orders for the Phoenix Mecano Group rose by 16.0 % in 2021, from EUR 766.0 million to EUR 888.9 million. The book-to-bill ratio (incoming orders as a percentage of gross sales) was 108.8 %, compared with 111.4 % the previous year, suggesting that the positive business performance will continue in 2022. This increase in incoming orders was driven by the Industrial Components and Enclosure Systems divisions. In these two divisions, the economic recovery started later than in the DOT Group division, which already significantly expanded its order intake in 2020.

Double-digit sales increases in all divisions

The Phoenix Mecano Group's consolidated gross sales increased by 18.8 %, from EUR 687.4 million to EUR 817.0 million. In organic, local-currency terms, they were up by 17.7 %.

In Europe, the Group recorded a 17.6 % rise in sales, despite a challenging market environment (15.6 % in organic, local-currency terms). Sales increased in all key European markets, and were up by 22.3 % in the core market of Germany (17.5 % in organic terms). Asian markets recorded a 24.2 % increase in sales thanks to strong demand in the DOT Group division. Organic, local-currency sales in Asia were up by 27.9 %. While sales in South America declined by 4.4 % due to negative exchange rate effects, sales in North America rose by 6.8 %. Organically, sales in the Americas increased by 9.9 %.

With gross sales of EUR 392.8 million, the DOT Group division saw its sales climb by 22.7 % (20.2 % in organic, local-currency terms). Home working and cocooning trends accelerated by the COVID-19 pandemic supported structural growth in end markets for comfort furniture.

Despite delivery bottlenecks, the Industrial Components division achieved a 15.2 % rise in sales to EUR 226.4 million (14.2 % in organic, local-currency terms). All key sales markets showed positive trends amid a cross-sector recovery.

Thanks to its state-of-the-art industrial and electronic enclosures, the Enclosure Systems division posted a 15.9 % increase in gross sales to EUR 197.8 million (17.1 % in organic, local-currency terms), although in this division too some orders were delayed due to supply chain issues

OPERATING RESULT IN EUR MILLION

43.9

IN % OF SALES

5.4 %

Incoming orders by division

	Change in %	2021 in 1000 EUR	2020 in 1000 EUR
DewertOkin Technology Group	– 0.3	385 505	386 685
Industrial Components	41.2	279 336	197 797
Enclosure Systems	23.4	224 041	181 558
Group incoming orders	**16.0**	**888 882**	**766 040**

Gross sales by region

	Change in %	2021 in 1000 EUR	2020 in 1000 EUR
Switzerland	7.0	24 909	23 270
Germany	22.3	238 638	195 096
UK	22.9	14 951	12 166
France	25.3	19 743	15 753
Italy	24.1	12 646	10 189
The Netherlands	2.8	14 385	14 000
Rest of Europe	8.9	89 997	82 620
North and South America	5.2	75 094	71 367
Middle and Far East	24.2	326 631	262 981
Gross sales	**18.8**	**816 994**	**687 442**

Gross sales by division

	Change in %	2021 in 1000 EUR	2020 in 1000 EUR
DewertOkin Technology Group	22.7	392 802	320 248
Industrial Components	15.2	226 430	196 596
Enclosure Systems	15.9	197 762	170 598
Gross sales of divisions	**18.8**	**816 994**	**687 442**

Gross sales by division in %

	2021	2020
DewertOkin Technology Group	48.1 %	46.6 %
Industrial Components	27.7 %	28.6 %
Enclosure Systems	24.2 %	24.8 %
Gross sales of divisions	**100.0 %**	**100.0 %**

Doubling of operating result and significantly higher operating cash flow

The operating cash flow increased by a substantial 37.4 % in 2021 to EUR 66.2 million, up from EUR 48.2 million the previous year. The operating result almost doubled to EUR 43.9 million (previous year: EUR 22.4 million).

The DOT Group division made an operating profit of EUR 2.1 million (down 71.5 %). Profitability fell significantly by 4.4 percentage points. Huge hikes in the cost of steel, copper, aluminium, electronic components and freight charges impacted the division's profitability. The immediate introduction of countermeasures only partially offset the increases in material costs, and there was a time lag before the higher purchase prices could be passed on to customers.

The Industrial Components division made an operating profit of EUR 17.7 million, following an operating loss of EUR 0.5 million the previous year. Its profitability therefore stood at 13.9 %.

The operating result of the Enclosure Systems division rose from EUR 17.1 million to EUR 27.7 million, an increase of 56.4 %. Profitability climbed 6.5 percentage points to an impressive 30.4 %.

The cost of materials rose disproportionately to sales in the reporting year due to the increase in raw material prices and freight costs. The Phoenix Mecano Group's material use rate as a percentage of gross sales was 55.3 % (compared with 52.6 % the previous year).

Personnel expenses grew by 6.8 %, a significantly lower rate than the growth in sales. Average staff numbers over the year increased from 7 426 to 8 143. Most new jobs were created in Asia and at the Industrial Components division's production facilities in North Africa.

Amortisation of intangible assets and depreciation on tangible assets fell from EUR 25.8 million to EUR 22.3 million, with a slight increase in capital expenditure. In the previous year, impairment losses amounted to EUR 3.3 million.

Significantly higher expenses for operating supplies, rents, freight outward and value adjustments on receivables led to an increase in other operating expenses of 11.5 %.

Result of period over EUR 30 million

The financial result improved from EUR –5.8 million to EUR –1.7 million. A EUR 0.6 million increase in net interest expense was offset by a EUR 2.7 million improvement in the result from changes in exchange rates. In addition, in the previous year there was a loss of EUR 1.6 million from the sale of investments.

The income tax burden in 2021 fell to 28.7 % of the result before tax (previous year: 46.4 %). In 2021, the Group was able to use non-capitalised losses carried forward. In the previous year, there were negative tax effects from the preparatory measures for the planned partial IPO of the DewertOkin Technology Group division.

The result of the period increased by 239.1 % from EUR 8.9 million to EUR 30.1 million due to the improved financial result and the lower tax rate. The net margin rose from 1.3 % to 3.7 %.

Operating result by division

	Change	2021	2020
	in %	in 1000 EUR	in 1000 EUR
DewertOkin Technology Group	–71.5	2 055	7 221
Industrial Components	3 577.4	17 700	–509
Enclosure Systems	56.4	26 684	17 059
Total for all divisions	**95.4**	**46 439**	**23 771**
Reconciliation [1]	–89.3	–2 495	–1 341
Total Group	**95.9**	**43 944**	**22 430**

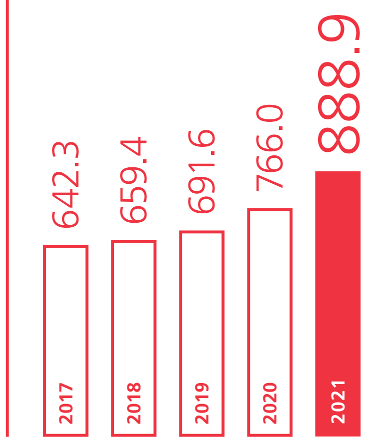
1 Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

Profitability by division [2]

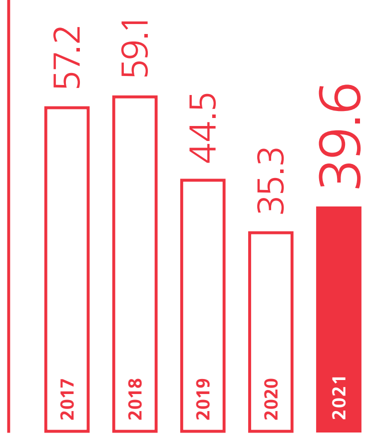
	Change	2021	2020
	in % points	in %	in %
DewertOkin Technology Group	–4.4	2.1	6.5
Industrial Components	14.3	13.9	–0.4
Enclosures	6.5	30.4	23.9
Group	**6.5**	**14.0**	**7.6**

2 Operating result as a percentage of net operating assets at the balance sheet date.

INCOMING ORDERS IN EUR MILLION



EQUITY RATIO IN %



ASSET AND CAPITAL STRUCTURE

Capital expenditure slightly up

Purchases of tangible assets totalled EUR 25.0 million (previous year: EUR 25.7 million) and purchases of intangible assets EUR 4.5 million (previous year: EUR 2.1 million). The largest single investment in 2021 was the industrial park currently under construction for the DOT Group division in Jiaxing, China. Work began in 2020, and the first sub-complex will enter service in 2022.

Equity ratio of 39.6 %

The offsetting of goodwill against equity in the context of acquisitions in 2020 and 2019 under Swiss GAAP FER led to a reduction in the equity ratio. In 2021, thanks to the positive trend in earnings, this ratio increased again and now stands at 39.6 % (previous year: 35.3 %), only slightly below the target minimum equity ratio of 40 %.

Reduction in net indebtedness

Net indebtedness at the end of 2021 was EUR 80.6 million (previous year: EUR 115.4 million). The main reason for the reduction was the increased cash flow from operating activities as a result of the increase in operating cash flow. Furthermore, there was only a limited outflow of funds for acquisitions (EUR 1.0 million compared with EUR 21.2 million). As a percentage of equity, net indebtedness fell to 33.0 % (previous year: 60.0 %).

OUTLOOK

At the start of 2022, Western industrial markets were buoyant and the signs point to continued growth. The Phoenix Mecano Group began the new year with full order books.

The effects of 'long COVID' are still being felt in global supply chains. There is still reduced availability of transport capacity, raw material prices remain high, and inflation rates are rising worldwide. The sudden outbreak of war in Ukraine has led to a further surge in prices for various industrial metals and in energy costs. Phoenix Mecano will continue to implement necessary price increases to offset the significant hike in transport and raw material costs.

Automation and digitalisation are major growth drivers for the Phoenix Mecano Group.

The Industrial Components and Enclosure Systems divisions are benefiting from the trend towards smart factory automation, while the DOT Group offers innovative solutions for the fast-growing market of smart furniture. Across all its divisions, Phoenix Mecano is evolving from a pure component manufacturer to a provider of integrated system solutions.

In this context, Phoenix Mecano invests strategically in system solutions for promising fields of application benefiting from long-term megatrends. Examples include the Industrial Internet of Things (IIoT) and changes in the healthcare sector and furniture industry driven by demographic trends.

In these fields, Phoenix Mecano technologies and products are used at human-machine interfaces in industrial applications and in the digitalisation of patient-related services and processes in hospitals. They can also be found in ergonomic workstations in manufacturing and assembly cells, in offices and home offices, and in comfort furniture in smart homes.

The Phoenix Mecano Group is ideally positioned to continue leveraging these opportunities to generate sustainable, profitable growth in the future. Its business model has proven resistant to past crises, and is likely to remain so in the current climate of geopolitical uncertainty.

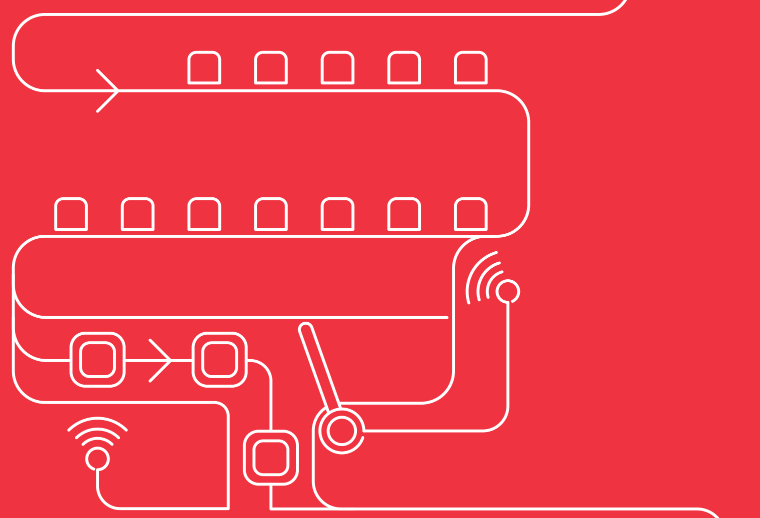
Capital expenditure

	2021		2020	
	in 1000 EUR	in %	in 1000 EUR	in %
BY TYPE OF ASSET				
Intangible assets	4 532	15.3	2 130	7.7
Land and buildings	675	2.3	7 681	27.6
Machinery and equipment	10 054	34.0	10 205	36.8
Tools	2 712	9.2	1 915	6.9
Construction in progress	11 579	39.2	5 830	21.0
Total	**29 552**	**100.0**	**27 761**	**100.0**
BY DIVISION				
DewertOkin Technology Group	17 458	59.1	13 456	48.5
Industrial Components	5 171	17.5	8 168	29.4
Enclosure Systems	5 445	18.4	4 999	18.0
Total for all divisions	**28 074**	**95.0**	**26 623**	**95.9**
Reconciliation[1]	1 478	5.0	1 138	4.1
Total	**29 552**	**100.0**	**27 761**	**100.0**

1 Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

Smooth flow of goods – even at peak times

A leading Indian e-commerce company uses a Phoenix Mecano conveyor and sorting system at its distribution centre. The system operates reliably – even during peak sales periods such as Diwali, the festival of lights.

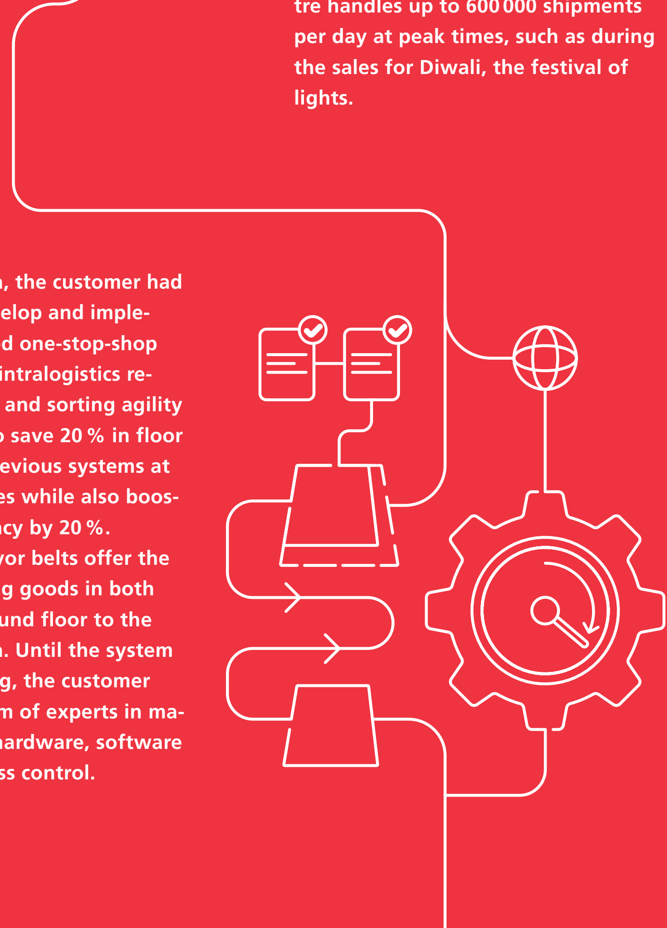


APPLICATION

The distribution centre covers an area of 80 000 square metres. Products are delivered here from many different suppliers and must first be checked for order quantities and quality requirements. The new system sorts the products and automatically directs mobile phones, electrical appliances and clothing to the right conveyor belts. Further steps include dividing, picking, labelling, packing and complete preparation for shipment. The distribution centre handles up to 600 000 shipments per day at peak times, such as during the sales for Diwali, the festival of lights.

PRODUCT

Linear conveyor systems are primarily used to transport different goods within a company. The systems manufactured and installed by Phoenix Mecano India are always tailored to the customer's specific requirements. For the fulfilment centre of a leading Indian e-commerce retailer, it produced a 1100-metre-long conveyor belt that spans two floors and can carry goods weighing up to 50 kg. In addition to the conveyor belt, the service scope also included designing the workstations and installing trolleys and shelving. The system was installed fully equipped with sensors, swipe arms and computer-aided control circuits.



BENEFITS

In Phoenix Mecano India, the customer had a partner that could develop and implement a highly customised one-stop-shop solution that met all its intralogistics requirements. Wider belts and sorting agility enabled the customer to save 20 % in floor space compared with previous systems at other distribution centres while also boosting operational efficiency by 20 %.
The bidirectional conveyor belts offer the flexibility of transporting goods in both directions, from the ground floor to the first floor and vice versa. Until the system was fully up and running, the customer was supported by a team of experts in material-handling robots, hardware, software development and process control.

DewertOkin Technology Group

Huge increases in material costs led to a significantly lower operating result for the division, despite an increase in sales of more than 20 %. Thanks to prompt countermeasures, profitability is expected to climb in 2022.

GROSS SALES IN EUR MILLION

Orders

Incoming orders for the DewertOkin product area – now made into a separate division ahead of its planned partial IPO – remained practically unchanged at EUR 385.5 million, following a sharp increase in 2020. The book-to-bill ratio (incoming orders as a percentage of gross sales) improved towards the end of the year and stood at 98.1 % (previous year: 120.7 %).

Sales

The division increased its gross sales by 22.7 % to EUR 392.8 million and consolidated its market leadership position. Organic, local-currency sales were up by 20.2 %. Sales in Europe increased by 6.1 % due to acquisitions. In North and South America, sales rose by 7.4 %. The Middle and Far East market continued to expand dynamically, with sales growth of 31.2 %.

Buoyed by high demand for electrically adjustable comfort furniture, gross sales of drive technology increased by 17.4 % and sales of fittings technology by 29.7 %. A key driver was increased demand in the US end customer market, triggered by COVID-related individual support measures.

Result

Despite the increase in sales, the operating result fell by 71.5 % from EUR 7.2 million to EUR 2.1 million. Huge material price hikes for steel, copper, aluminium and electronic components as well as significantly more expensive transport capacity led to a decline in the gross margin. The division found alternative procurement sources, stepped up insourcing and raised sales prices worldwide. However, the impact of these countermeasures took some time to feed through.

In addition, there were further pressures on the operating result, including increased development efforts. At the BEWATEC group, acquired in November 2020, further progress was made on the digitalisation initiative in the medical technology market segment. The ConnectedCare communication platform was ported to China and adapted to local market needs, and bed sensors were integrated into the platform. Various new drives were developed in 2021 for the bedding, seating and office market segments. In the seating segment, new fittings were also developed. Finally, key management functions within the division were brought together at the new headquarters building in Jiaxing, China, and expanded in view of the planned partial IPO. Drive production for local customers got under way in Vietnam, but had to be suspended for several months due to COVID. COVID-related lockdowns, the loss of staff and delivery delays also impacted the division's performance at its US company.

Asset and capital structure

At EUR 17.5 million, purchases of tangible and intangible assets were well above the previous year's level of EUR 13.5 million, due to the industrial complex under construction in Jiaxing.

The measures adopted to reduce net current assets resulted in a 12.8 % drop in net assets, despite increased capital expenditure. Owing to the significantly reduced operating result, the return on capital employed (ROCE) fell from 6.5 % to 2.1 %.

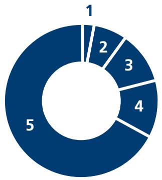
OPERATING RESULT IN EUR MILLION

2.1

IN % OF SALES

0.5 %

GROSS SALES BY REGION IN %



1 Switzerland **0.2 %**
2 Germany **6.7 %**
3 Rest of Europe **11.3 %**
4 North and South America **12.1 %**
5 Middle and Far East **69.7 %**

INCOMING ORDERS IN EUR MILLION

	2021		2020		
	Sales in 1000 EUR	Sales breakdown in %	Sales in 1000 EUR	Sales breakdown in %	Change in sales in %
GROSS SALES BY REGION					
Switzerland	593	0.2	423	0.1	40.2
Germany	26 307	6.7	17 516	5.5	50.2
UK	5 550	1.4	5 661	1.8	– 2.0
France	6 454	1.6	5 537	1.7	16.6
Italy	4 715	1.2	4 273	1.3	10.3
The Netherlands	1 786	0.5	2 437	0.8	– 26.7
Rest of Europe	25 960	6.6	31 443	9.8	– 17.4
North and South America	47 371	12.1	44 106	13.8	7.4
Middle and Far East	274 066	69.7	208 852	65.2	31.2
Total	**392 802**	**100.0**	**320 248**	**100.0**	**22.7**

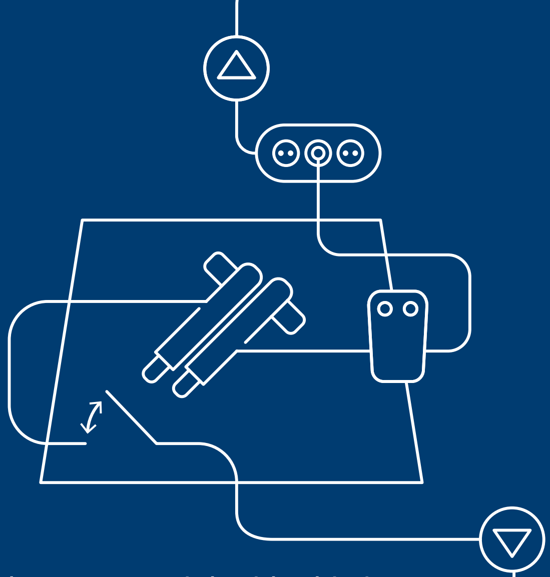
	2021		2020		
	in 1000 EUR	Margin in %	in 1000 EUR	Margin in %	Change in %
OPERATING RESULT					
	2 055	**0.5**	**7 221**	**2.3**	**– 71.5**

	2021		2020		
	in 1000 EUR	Profitability in %	in 1000 EUR	Profitability in %	Change in %
NET OPERATING ASSETS					
	96 360	**2.1**	**110 544**	**6.5**	**– 12.8**

	2021		2020	
	in 1000 EUR	in %	in 1000 EUR	in %
PURCHASES OF TANGIBLE AND INTANGIBLE ASSETS				
Intangible assets	2 750	15.8	462	3.4
Land and buildings	40	0.2	5 237	38.9
Machinery and equipment	2 971	17.0	4 119	30.6
Tools	1 455	8.3	1 334	10.0
Construction in progress	10 242	58.7	2 304	17.1
Total	**17 458**	**100.0**	**13 456**	**100.0**

A factory tailored to the digital age

The DewertOkin Technology Group's new industrial park places digital technologies front and centre. They optimise workflows, automate stages in the manufacturing process, and boost efficiency.

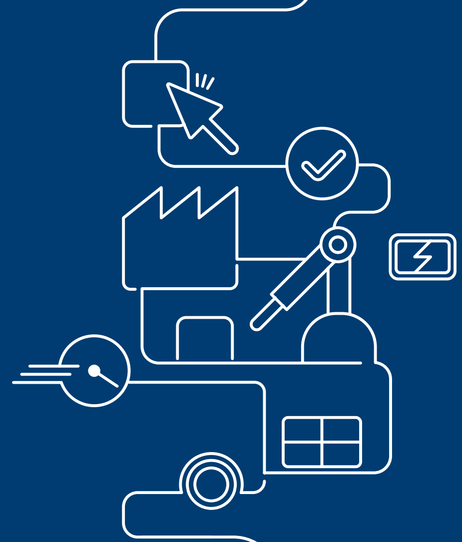


PRODUCT

The DewertOkin Technology Group's new industrial park in Jiaxing, near Shanghai, is a digital 'dream factory'. Covering an area of 115 000 square metres, it brings together product research and development, production and sales. Electronics, electric drives, control systems and the associated mechanical structures for smart furniture as well as for office and medical applications are developed and manufactured at the park. These products are used in an array of applications including movable upholstered furniture, massage chairs, cinema seats, recliners and adjustable beds, hospital and nursing beds, and adjustable office desks.

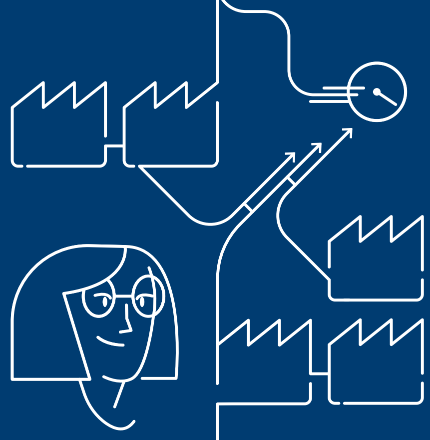
FUNCTIONALITY

The holistically designed factory enables intelligent manufacturing under one roof, from ordering through to delivery. It operates via an information-based digital platform and incorporates a high level of automated production as well as smart warehousing and logistics. All processes are centrally controlled, enabling quick decisions about process changes. From the factory's digital cockpit, workflows are monitored in real time and operational efficiency and costs are optimised.



BENEFITS

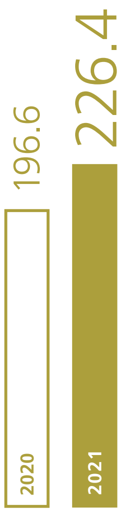
The industrial park allows a greater proportion of value added to be generated in-house and creates space for future growth by consolidating existing sites. Modern workstations make work less physically demanding and simplify employees' tasks. Advanced production and manufacturing models satisfy customer demand for prompt delivery of orders, while shortened logistics chains optimise workflows and increase efficiency.



Industrial Components

Sales and result increased significantly and a profitability of almost 14 % was achieved. All business areas that made losses the previous year saw a turnaround. The high book-to-bill ratio at the end of 2021 suggests that the positive business performance will continue in 2022.

GROSS SALES
IN EUR MILLION



Orders

Incoming orders for the newly formed Industrial Components division were up 41.2 % on the previous year at EUR 279.3 million (up 41.1 % in organic, local-currency terms). The book-to-bill ratio (incoming orders as a percentage of gross sales) was 123.4 % (previous year: 100.6 %). In all four quarters, incoming orders were significantly higher than sales, meaning that the division started 2022 with a well-filled order book.

Sales

Gross sales rose by 15.2 % to EUR 226.4 million. In organic, local-currency terms, they were up by 14.2 %. In Europe, sales increased by 21 %, with above-average growth rates in Germany, the UK, France and Italy. Sales were down by 5.4 % in North and South America and by 1.6 % in the Middle and Far East.

The Automation Modules business area increased its sales by 18.1 % across all sectors, to EUR 95.9 million. 2021 saw the market launch of digital design and simulation tools for profile systems and a linear positioning system for clean-room applications as well as the industrialisation of battery-powered lifting columns for energy-autonomous control.

In the Electromechanical Components business area, sales increased by 19.4 % to EUR 57.3 million, despite pandemic-related supply issues. The portfolio of testing technology products was expanded to include a high-current interface for e-mobility systems.

The Rugged Computing business area saw sales jump by 9.0 % to EUR 48.2 million. While sales of backplanes and electronic manufacturing services increased, sales of industrial computing applications in the US declined due to project delays. The commercial satellite technology market is a new area of focus for the business area.

The Measuring Technology business area increased its sales by 7.9 %. There was particularly high demand for current transformers, especially high-precision and calibrated products.

Result

The Industrial Components division significantly increased its operating result, from EUR –0.5 million to EUR 17.7 million. All four of the division's business areas contributed to this positive earnings performance. The jump in earnings was due on the one hand to volume growth and on the other hand to the cost structure adaptations linked to the programme of measures implemented in 2019/2020. The operating margin was 7.8 %, well above the previous year's level of –0.3 %.

Asset and capital structure

Capital expenditure fell from EUR 8.2 million to EUR 5.2 million. Purchases of tangible assets in 2020 were dominated by the construction of a new factory in Lechang, China.

Net operating assets rose by 10.9 % to EUR 127.5 million due to the sales-related increase in net current assets. Thanks to the increase in operating result, the return on capital employed (ROCE) climbed significantly to 13.9 %.

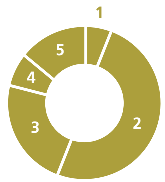
OPERATING RESULT
IN EUR MILLION

17.7

IN % OF SALES

7.8 %

GROSS SALES
BY REGION IN %



1 Switzerland **6.3 %**
2 Germany **49.7 %**
3 Rest of Europe **23.4 %**
4 North and South America **6.6 %**
5 Middle and Far East **14.0 %**

INCOMING ORDERS
IN EUR MILLION

GROSS SALES BY REGION	2021 Sales in 1000 EUR	2021 Sales breakdown in %	2020 Sales in 1000 EUR	2020 Sales breakdown in %	Change in sales in %
Switzerland	14 423	6.3	14 589	7.4	– 1.1
Germany	112 461	49.7	91 784	46.7	22.5
UK	4 536	2.0	2 808	1.4	61.5
France	6 092	2.7	4 795	2.5	27.0
Italy	3 384	1.5	2 015	1.0	67.9
The Netherlands	4 182	1.9	3 984	2.0	5.0
Rest of Europe	34 634	15.3	28 536	14.5	21.4
North and South America	14 881	6.6	15 725	8.0	– 5.4
Middle and Far East	31 837	14.0	32 360	16.5	– 1.6
Total	**226 430**	**100.0**	**196 596**	**100.0**	**15.2**

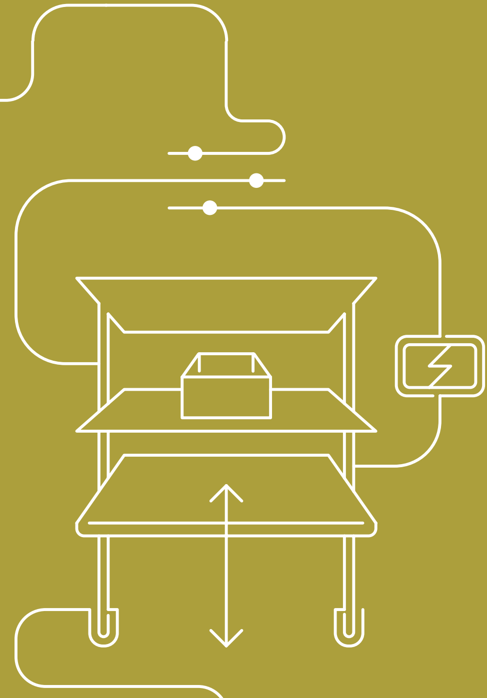
OPERATING RESULT	2021 in 1000 EUR	2021 Margin in %	2020 in 1000 EUR	2020 Margin in %	Change in %
	17 700	**7.8**	**– 509**	**– 0.3**	**3 577.4**

NET OPERATING ASSETS	2021 in 1000 EUR	2021 Profitability in %	2020 in 1000 EUR	2020 Profitability in %	Change in %
	127 477	**13.9**	**114 909**	**– 0.4**	**10.9**

PURCHASES OF TANGIBLE AND INTANGIBLE ASSETS	2021 in 1000 EUR	2021 in %	2020 in 1000 EUR	2020 in %
Intangible assets	616	11.9	653	8.0
Land and buildings	318	6.2	314	3.8
Machinery and equipment	2 916	56.4	3 657	44.8
Tools	707	13.7	328	4.0
Construction in progress	614	11.9	3 216	39.4
Total	**5 171**	**100.0**	**8 168**	**100.0**

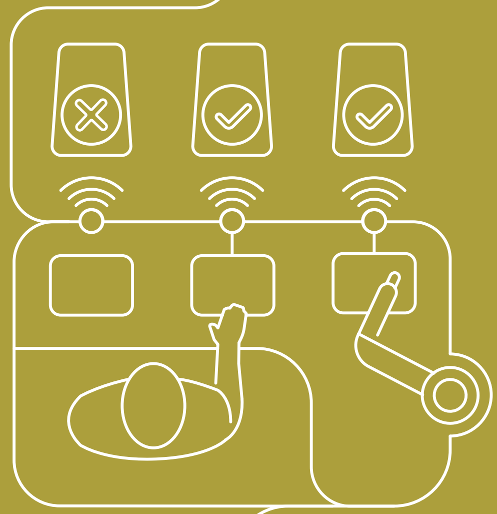
Ergonomic workstations for flawless assembly

Assembly workstations for complex, high-variant products pose a particular challenge. Rose+Krieger's modern workstation systems provide an ideal solution for every company.



APPLICATION

Not all products can be manufactured fully automatically. Automated production is often not worthwhile, especially for small product batches. The same applies to many customised solutions, such as those produced for a workshop for people with disabilities in Belgium. Nowadays, customers are demanding modern, ergonomic assembly workstations that relieve operators from physically demanding or monotonous tasks and can be integrated into the digital work environment. Automated (or partially automated) assembly workstations such as these are particularly useful in the medical technology sector, where reliable, zero-defect manufacturing is key. They also offer similar advantages for any manufacturing process that requires product traceability.

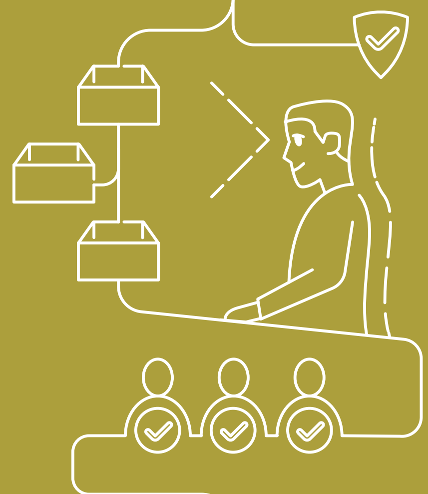


PRODUCT

RK Antriebs- und Handhabungs-Technik GmbH (RK AHT) is RK Rose+Krieger's competence centre for fully operational, customised and ergonomic assembly workstation solutions. Equipped with software-supported assistance systems and/or collaborative robots, they ensure an efficient, flawless production process and assembly reliability even with changes of staff – both key factors when it comes to quality assurance.

BENEFITS

With their optimal ergonomic design, RK AHT's modern assembly workstations relieve employees from physically demanding or monotonous tasks. Combined with software-supported assistance systems and/or collaborative robots, they ensure an efficient, flawless production process and assembly reliability even with changes of staff – leading to top-quality products. Fewer defects, ergonomic working and varied, efficient tasks are the key benefits of these systems.



Enclosure Systems

The division had a successful financial year, despite a series of challenges in supply chain management. All key financials are well up on 2020 and on the pre-crisis year of 2019.

GROSS SALES
IN EUR MILLION

Orders

Incoming orders for the Enclosure Systems division were up 23.3 % on the previous year (24.6 % in organic, local-currency terms). Growth rates were particularly high for enclosures and system solutions for renewable energies, Internet of Things applications, electromobility and industry digitalisation. The book-to-bill ratio at the end of the year (incoming orders as a percentage of gross sales) was 113.3 % (previous year: 106.4 %).

Sales

The division increased its gross sales by 15.9 % to EUR 197.8 million. In organic, local-currency terms, they were up by 17.1 %. With double-digit growth rates in all major European market regions, sales in Europe rose by 19.6 %. Sales in North and South America sales increased by 11.3 %. In the Middle and Far East, sales were down by 4.8 %, due to declines in the energy sector.

Gross sales of industrial enclosures (including control panels and equipment carriers) rose by 16.6 % worldwide. Sales increases were recorded in the key market segments of electrical engineering, measurement and control technology, and mechanical and plant engineering. Only the oil and gas project business saw a decline in sales. The popular Bocube product range was expanded in 2021, and there were further developments in system integration and special enclosures.

Gross sales of input systems increased by 18.8 %. Sales increases were recorded both in traditional industrial markets and in the medical technology market segment.

Result

Driven by the strong increase in sales, the operating result jumped by 56.4 % to EUR 26.7 million. The disproportionately low rise in staff costs also contributed to this impressive result. By contrast, there was a disproportionately high increase in operating supplies and freight outward. Had it not been for supply chain issues, the result would have been even better. The operating margin was 13.5 %, well up on the previous year's 10.0 %.

Asset and capital structure

Purchases of tangible and intangible assets stood at EUR 5.4 million, up around 10 % on the previous year. This was due to increased capital expenditure on global manufacturing infrastructure.

Net operating assets rose by 23.1 % to EUR 87.9 million due to the sales-related increase in net current assets and the rise in capital expenditure. Thanks to the increase in operating result, the return on capital employed (ROCE) improved significantly to 30.4 %, up from 23.9 % the previous year.

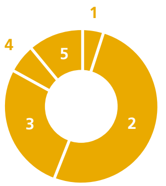
OPERATING RESULT
IN EUR MILLION

26.7

IN % OF SALES

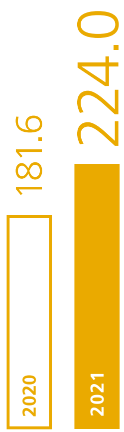
13.5 %

GROSS SALES
BY REGION IN %



1 Switzerland **5.0 %**
2 Germany **50.5 %**
3 Rest of Europe **27.5 %**
4 North and South America **6.5 %**
5 Middle and Far East **10.5 %**

INCOMING ORDERS
IN EUR MILLION



	2021 Sales in 1000 EUR	2021 Sales breakdown in %	2020 Sales in 1000 EUR	2020 Sales breakdown in %	Change in sales in %
GROSS SALES BY REGION					
Switzerland	9 893	5.0	8 258	4.8	19.8
Germany	99 870	50.5	85 796	50.3	16.4
UK	4 865	2.5	3 697	2.1	31.6
France	7 197	3.6	5 421	3.2	32.8
Italy	4 547	2.3	3 901	2.3	16.6
The Netherlands	8 417	4.3	7 579	4.4	11.1
Rest of Europe	29 403	14.8	22 641	13.3	29.9
North and South America	12 842	6.5	11 536	6.8	11.3
Middle and Far East	20 728	10.5	21 769	12.8	–4.8
Total	**197 762**	**100.0**	**170 598**	**100.0**	**15.9**

	2021 in 1000 EUR	2021 Margin in %	2020 in 1000 EUR	2020 Margin in %	Change in %
OPERATING RESULT					
	26 684	**13.5**	**17 059**	**10.0**	**56.4**

	2021 in 1000 EUR	2021 Profitability in %	2020 in 1000 EUR	2020 Profitability in %	Change in %
NET OPERATING ASSETS					
	87 878	**30.4**	**71 384**	**23.9**	**23.1**

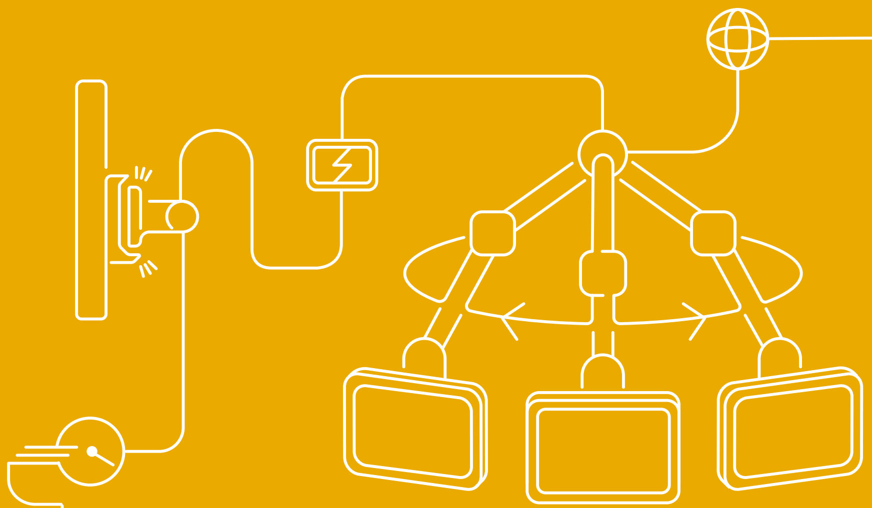
	2021 in 1000 EUR	2021 in %	2020 in 1000 EUR	2020 in %
PURCHASES OF TANGIBLE AND INTANGIBLE ASSETS				
Intangible assets	434	8.0	348	7.0
Land and buildings	270	5.0	2 129	42.6
Machinery and equipment	3 468	63.7	1 959	39.1
Tools	550	10.1	253	5.1
Construction in progress	723	13.2	310	6.2
Total	**5 445**	**100.0**	**4 999**	**100.0**

Goodbye paperwork, hello tablets

Rose's customised control panels promote optimal collaboration between humans and machines, and allow the entire production process to be digitalised and interconnected.

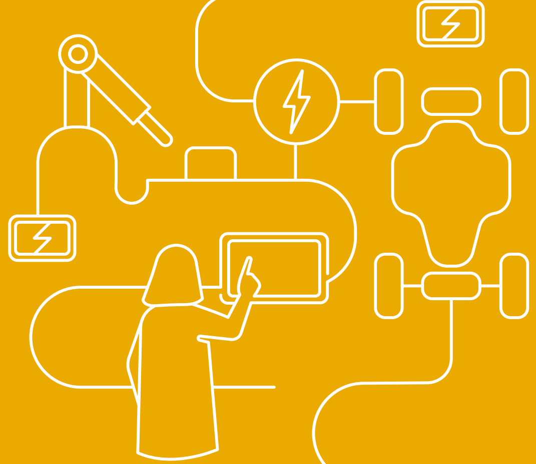
APPLICATION

The operating and visualisation terminals are precisely matched to the customer's production environment and so enable intuitive worker guidance. A detailed analysis of the customer's manufacturing processes and production environments is therefore a key part of the consulting service. This is really the only way to develop tailor-made automation solutions. Rose's expertise in this area has made it a trusted partner far beyond the automotive industry.



PRODUCT

The human-machine interface (HMI) is the point of interaction between people and machines. Rose's HMI systems comprise a range of custom-configured components, making use of customised panel and embedded PCs, individually configured electronic, standard and control enclosures, and equipment carrier systems. This makes Rose the only manufacturer to provide complete automation systems for production facilities, such as those typically used in the automotive industry.



BENEFITS

Rose's HMI solutions allow the entire production process to be digitalised and interconnected, thereby optimising workflows, reducing error rates and cutting training times for employees. They make it easier and more efficient to manufacture different product variants at the same location. Rose's panel PCs are fanless, waterproof and dustproof, and can be operated with gloves on. Thanks to the QuickLock system, they are also quick and easy to replace, which reduces downtime due to maintenance and repair. In places where a permanent user interface is not required, industrial tablets can be used instead of panel PCs. This promotes flexibility, saves money, and ultimately reduces the effort and expense of disposal.

Share information

Phoenix Mecano AG's shares are listed on the SIX Swiss Exchange in Zurich. The share capital of CHF 960 500 is divided up into 960 500 bearer shares with a par value of CHF 1.00 each. There are no restrictions on ownership or voting rights. Capital that is not required for internal growth is returned to shareholders in the form of dividends, par value repayments and share buy-backs. The share capital has not been increased since the company went public in 1988. Phoenix Mecano AG's corporate policy dictates that growth should be funded out of the company's own capital resources.

OPTING OUT AND OPTING UP

The company has not made any use of the possibility provided for in the Swiss Stock Exchange Act of excluding an acquiring company from the obligation to make a public purchase bid. The limit for the obligation to make an offer pursuant to Article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading is 45 % of voting rights.

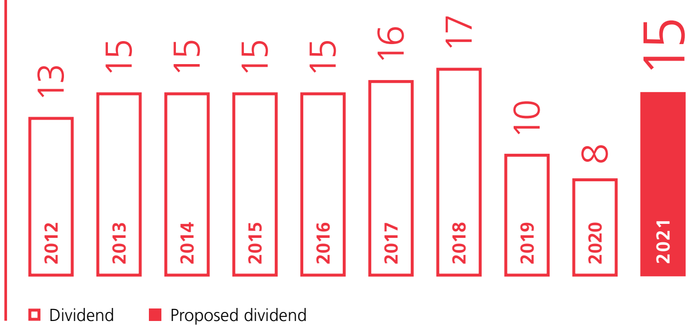
PAYOUT AND DIVIDEND POLICY

The target payout ratio for dividend payments is 40 % to 50 % of result after tax, adjusted for special factors. The strong balance sheet and high free cash flow can sustainably finance organic growth as well as any acquisitions. The Board of Directors will propose to the Shareholders' General Meeting of 20 May 2022 a dividend of CHF 15.00 per share. This corresponds to a payout ratio of 44 %.

The share is covered by the following analysts:
- UBS AG (CH): joern.iffert@ubs.com
- Research Partners (CH): reto.huber@researchpartners.ch
- Zürcher Kantonalbank (CH): richard.frei@zkb.ch

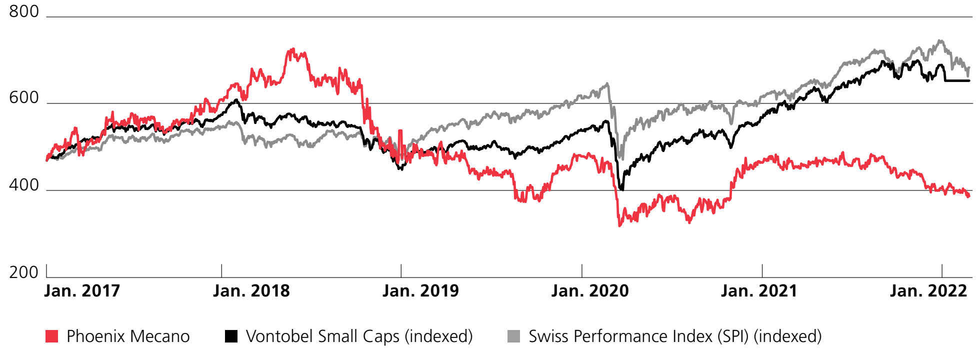
Listing	SIX Swiss Exchange/Zurich
Securities No.	Inh. 218781
ISIN	CH 000 218 7810
Reuters	PM.S
Bloomberg	PM SE Equity
Telekurs/Telerate	PM
Legal Entity Identifier (LEI)	529900SWF06EKVI1JY11.

DIVIDEND PER SHARE IN CHF



SHARE PRICE 1 JANUARY 2017 – 28 FEBRUARY 2022

in CHF



SHARE INDICATORS AT A GLANCE

	Units	2021	2020	2019	2018	2017
Share capital (bearer shares with a par value of CHF 1.00)	CHF	960 500	960 500	960 500	960 500	960 500
Treasury shares	Number	189	491	1 000	1 000	1 000
Shares entitled to dividend	Number	960 311	960 009	959 500	959 500	959 500
Operating result per share[1]	EUR	45.8	23.4	24.3	53.5	32.0
Result of the period per share[1]	EUR	31.4	9.2	14.5	37.6	22.9
Equity per share[1]	EUR	254.3	200.4	226.5	279.3	281.1
Free cash flow per share[1]	EUR	28.0	10.8	18.7	13.5	11.9
Dividend	CHF	15.00[4]	8.00	10.00	17.00	16.00
Market price						
High	CHF	502	494.50	519	728	614
Low	CHF	396	312	374	456	475
Year-end price	CHF	405.50	464.50	478.50	503	614
Market capitalisation	CHF million	389.5	446.2	459.6	483.1	589.7
Dividend yield[2]	%	3.7[4]	1.7	2.1	3.4	2.4
Total shareholder return	%	–11.0	–0.8	–1.5	–15.5	34.1
Payout ratio[3]	%	44[4]	81	62	39	63
Price/profit ratio 31 December		12.0	46.9	29.7	11.6	24.2

1 Based on shares entitled to dividend as at 31 December.
2 Dividend in relation to year-end price.
3 Dividend (shares entitled to dividend only) in relation to result of the period.
4 Proposal to the Shareholders' General Meeting of 20 May 2022.

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly. The year 2017 is presented according to IFRS.

Identifying and avoiding risks

The Phoenix Mecano Group understands risk management as the entrepreneurial activity of weighing up risks and opportunities. Active and swift risk management is a competitive advantage, the aim being not only to identify potential risks early on and avoid them but also to create long-term scope for action that allows informed entrepreneurial risk-taking.

In 2002, the Board of Directors of Phoenix Mecano AG introduced a Group-wide, system-based risk management system, which is continuously enhanced through consultation between the Board of Directors, management, Group Controlling and the Internal Auditing Department.

GROUP-WIDE RISK AND OPPORTUNITY MANAGEMENT

The Board of Directors is responsible for monitoring risk and opportunity management. Regular reporting to the management and Board of Directors ensures that key threats arising from entrepreneurial risks as well as potential opportunities are identified at an early stage and suitable measures are adopted in a timely manner.

The objectives of risk management are to achieve and maintain a consistently high level of risk awareness and to create risk transparency throughout the Phoenix Mecano Group. It also aims to ensure compliance with legal obligations and the requirements pertaining to a listed company.

Risk management within the Phoenix Mecano Group is undertaken autonomously by individual Group companies and is the decentralised responsibility of each company's managing director(s). It involves identifying, assessing and managing risks and determining and continuously updating measures to address them.

Group companies' risk management processes are regularly reviewed by the Internal Auditing Department at the request of the Board of Directors. The Internal Auditing Department reports on a half-yearly basis to the management and the Board of Directors' Audit Committee concerning significant risks and Group companies' risk management processes.

Internal Auditing Department risk reports are discussed in the Audit Committee on a half-yearly basis. The Internal Auditing Department reports to the whole Board of Directors once a year. In between regular reporting dates, Group companies are required to report on an ad-hoc basis if significant new risks arise. This process ensures that risks are recorded and assessed in a timely and comprehensive way and allows the Board of Directors to carry out its own risk assessment.

The risks faced by the Phoenix Mecano Group are divided into five main categories:

- external risks
- financial risks
- operational risks
- legal risks
- strategic risks.

FINANCIAL RISK MANAGEMENT

The Phoenix Mecano Group is exposed to various financial risks through its business activities, namely credit risk, market risk (i.e. currency and interest rate risks) and liquidity risk. An overview of specific financial risks, their magnitude, the aims, principles and processes involved in measuring, monitoring and hedging them, and the Group's capital management can be found in the consolidated financial statements (page 76 ff).

SPECIFIC RISKS IN 2021

Financial year 2021 was affected by the global COVID-19 pandemic and its impact. Performance would have been even better had it not been for the challenging situation in procurement markets and supply chains and the COVID-related transport bottlenecks. Through forward-looking management of its supplier base and by passing on the sometimes considerable cost increases, Phoenix Mecano succeeded in minimising the impacts of the supply chain situation on the Group results. What the situation required above all was flexibility and quick decisions, and with its decentralised structure and streamlined decision-making processes, the Phoenix Mecano Group was well equipped for this scenario.

SUSTAINABILITY

Sustainability

To underscore its commitment to sustainability, Phoenix Mecano is now publishing a sustainability report based on the Global Reporting Initiative (GRI) Standards.

Alongside the success of its business activities, Phoenix Mecano has always attached great importance to looking after its employees, caring for the environment and making a positive contribution to society. These principles are all part of its commitment to operating sustainably.

To make the economic, social and environmental impact of its business activities both visible and comparable, Phoenix Mecano is now publishing a sustainability report in accordance with the GRI Standards. This comprehensive appraisal is based on standardised criteria, thus creating the Group-wide transparency that is so important for a decentralised business like Phoenix Mecano.

By presenting an overall picture, the report identifies potential for improvement and helps the Group move forward judiciously in this vital area. In the process, it should foster a deeper awareness of sustainability and help meet sustainability goals at all levels.

SUSTAINABILITY LEVELS

The first step was to define and weight the areas to be evaluated for the first sustainability report, based on the GRI criteria.

SUSTAINABILITY LEVELS

RELEVANCE AND IMPACT →

ECONOMIC LEVEL

LOW	MEDIUM	HIGH
TAX	ANTI-CORRUPTION ANTI-COMPETITIVE BEHAVIOUR	ECONOMIC PERFORMANCE

SOCIAL LEVEL

LOW	MEDIUM	HIGH
FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING SUPPLIER SOCIAL ASSESSMENT CHILD LABOUR	LABOUR/MANAGEMENT RELATIONS CUSTOMER HEALTH & SAFETY DIVERSITY & EQUAL OPPORTUNITY	CUSTOMER PRIVACY TRAINING & EDUCATION OCCUPATIONAL HEALTH & SAFETY

ENVIRONMENTAL LEVEL

LOW	MEDIUM	HIGH
WASTE SUPPLIER ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL COMPLIANCE MATERIALS	ENERGY EMISSIONS

READ THE FULL REPORT HERE.

ECONOMIC LEVEL

Phoenix Mecano pursues a long-term growth strategy based on growth drivers aligned with megatrends. It sees sustainable growth and profitability as essential for strengthening competitiveness, generating value and creating new jobs. Its decentralised corporate structure helps it stay close to customers, fosters continuous improvements in operational excellence, and enables it to maintain a lean cost base.

ECONOMIC LEVEL

TAX
ANTI-CORRUPTION
ANTI-COMPETITIVE BEHAVIOUR
ECONOMIC PERFORMANCE

Creation of value added

in 1000 EUR	Note	2021	2020
Net sales		809 590	682 126
Own work capitalised and other income		17 007	13 967
Cost of materials		– 450 936	– 361 685
Other operating expenses	A	– 87 339	– 78 212
Depreciation/ amortisation		– 22 289	– 25 784
Other non-operating result	B	952	– 3 634
Value added		**266 985**	**226 778**

Distribution of value added

in %	Note	2021	2020
Employees	C	82.4	90.8
Government (taxes)	D	5.4	4.3
Shareholders	E	2.6	4.0
Lenders (net interest expense)		1.0	1.0
Companies (retained earnings)	F	8.6	– 0.1
Value added		**100.0**	**100.0**

A Excluding capital taxes and other non-profit-related taxes
B Financial result excluding net interest expense plus share of result from associated companies
C Personnel expenses
D Current income tax, capital taxes and other non-profit-related taxes
E Dividends paid in the financial year and share repurchases under the share buy-back programme
F Result of the period less dividends already paid in the financial year and share repurchases under the share buy-back programme

Implementation example: Kaizen boosts efficiency and employee satisfaction

Since 1975, the Japan International Cooperation Agency (JICA) has been promoting the Kaizen system in Tunisia as part of an economic development project. The 'model company' award for Phoenix Mecano Elcom shows how successfully the Kaizen philosophy is being implemented within the firm. This is also reflected in the numbers.

Phoenix Mecano Elcom specialises in the manufacture and assembly of electromechanical components such as plug connectors, μ switches, contact pins and small coils. These products are used in the assembly of electronic circuit boards in all areas of application.

In 2011, the unstable situation in Tunisia raised the question of whether the factory should be relocated to Morocco. However, the management in Tunisia wanted to create the conditions that would allow production to continue in the country. This meant cutting production costs, diversifying the product range and increasing profit margins, all without substantial capital expenditure and while retaining the labour-intensive system of manual assembly. Taking part in the Kaizen project led to significant boosts in both productivity and product quality. It also enabled the headcount to be increased to more than 1 500.

Kaizen has greatly enhanced the working environment. New standards have codified the most efficient ways to do jobs, helped to keep work areas clean and tidy, and reduced the number of workplace accidents. At the same time, employees have developed a palpable sense of belonging and of shared responsibility.

Regular Gemba Kaizen circles aim to continuously improve activities at the production site. The company's managers have also got on board. Production processes and the design of human-machine interfaces are discussed collectively, and the constant optimisation of tasks has led to measurable efficiency gains and greater employee satisfaction.

SOCIAL LEVEL

At the social level, Phoenix Mecano's commitment to sustainability can be seen in its behaviour towards its stakeholders. The company offers its employees a fair, safe work environment and a culture that recognises and harnesses individual potential. Likewise, when choosing its suppliers, Phoenix Mecano ensures that they treat their workers in a fair and lawful way.

SOCIAL LEVEL

- FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING
- SUPPLIER SOCIAL ASSESSMENT
- CHILD LABOUR
- CUSTOMER PRIVACY
- TRAINING & EDUCATION
- DIVERSITY & EQUAL OPPORTUNITY
- LABOUR/MANAGEMENT RELATIONS
- CUSTOMER HEALTH & SAFETY
- OCCUPATIONAL HEALTH & SAFETY

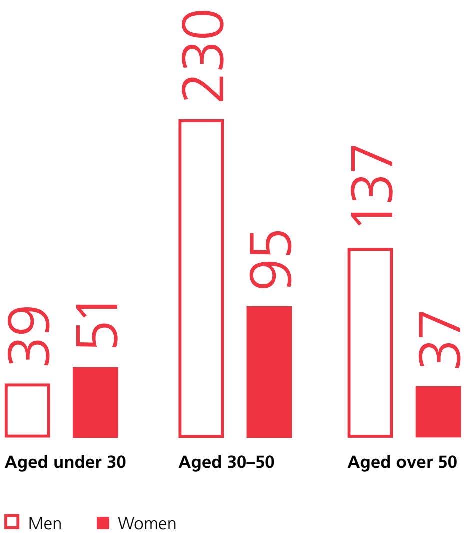
AVERAGE HOURS OF TRAINING PER EMPLOYEE

30

NUMBER OF TRAINEES

135

DIVERSITY AT MANAGEMENT LEVELS IN 2021



Implementation example: Rose Systemtechnik and Rose+Krieger recognised as 'family-friendly companies'

'Family-friendly companies' have HR policies that helps their staff combine work commitments with family and caring responsibilities. From the employer this demands a high degree of flexibility and a willingness to accommodate the needs of its employees. At Rose Systemtechnik, for example, flexitime extends from 6.00 a.m. to 8.00 p.m., with only 9.00 a.m. to 12 noon as the core period. Breaks can be timed flexibly and extended if necessary.

There is also maximum flexibility in terms of weekly hours, working days and the distribution of working hours between days of the week. Supervisors and employees coordinate individual part-time arrangements together. Daily or monthly working hours can be reduced or extended for a limited period based on an agreement between the staff involved, with minimal administrative formalities.

This is all underpinned by a company agreement on mobile working, giving employees extensive scope to shape their own working lives and a generous system of work time accounting.

Where operationally feasible, special working time models, including Saturday work, are also possible. These are used, for example, by staff who have caring responsibilities during the week.

However, important though these progressive policies are, what matters most is the overarching family-friendly ethos, which means that pragmatic solutions can be found even in very specific circumstances.

Implementation example: Phoenix Mecano India vaccinates staff against COVID-19

During the COVID-19 crisis, India faced a daunting task: offering 1.3 billion people the opportunity to get vaccinated. But quite apart from the incredible numbers involved and the associated costs, actually reaching people was a problem in itself.

Phoenix Mecano India quickly realised that its staff would have trouble accessing vaccinations. For one thing, the only way to get an appointment was using a smartphone or computer – something not available to every employee. The second problem was accessibility. The company is located 35 km from the nearest city, Pune, and many employees had no means of getting there with their families. Also, the time needed to travel into the city and have the vaccination would have been difficult to fit in around work.

Last but not least, the cost of USD 10 per jab would have been prohibitive for many.

In view of all this, the company's management decided that, rather than getting their staff to the vaccination, it would be better to bring the vaccination to them. When the vaccine became available in Pune in early June 2021, the 700 employees were able to be vaccinated free of charge on the company's premises, with minimal inconvenience.

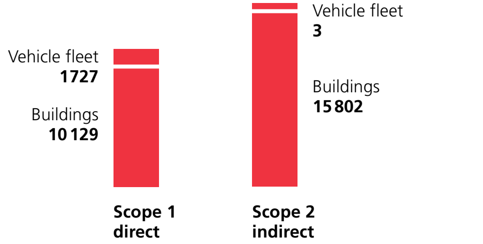
ENVIRONMENTAL LEVEL

To protect the environment and mitigate climate change, Phoenix Mecano strives to reduce its energy consumption and increase the proportion of renewable energy it uses for electricity, heating and mobility. In production activities, natural resources are used carefully to minimise the impact on the environment. Currently, twelve companies have ISO 14001 environmental management certification, and 40% of sites already have waste reduction strategies in place.

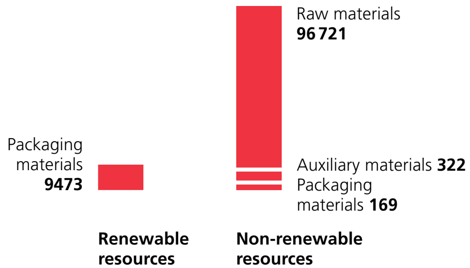
ENVIRONMENTAL LEVEL

WASTE
SUPPLIER ENVIRONMENTAL ASSESSMENT
ENVIRONMENTAL COMPLIANCE
MATERIALS
ENERGY
EMISSIONS

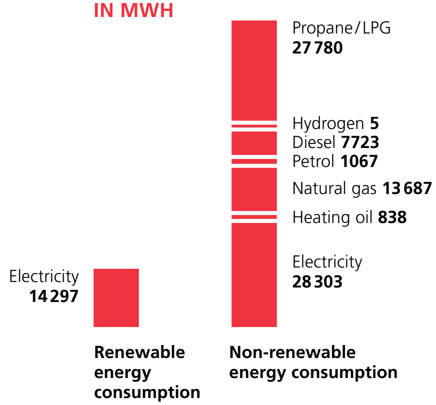
DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS IN 2021 IN T CO_2 EQUIVALENT



MATERIALS USED 2021 IN T



ENERGY CONSUMPTION 2021 IN MWH



Implementation example: Rivers free from plastic waste

Autonomous River Clean (ARC) is a student-led initiative at ETH Zurich. It is based on a system that uses developments in robotics and automation to significantly reduce plastic waste in rivers. Its autonomous trash collection vessel provides a viable solution to tackle the global problem of plastic pollution in the environment. The first prototype was tested on the River Limmat in Zurich in 2021.

One of the key questions to be addressed is how the floating waste can be collected at a single point.

Among other things, the team is researching how to deflect the trajectories of moving particles on the river so that they can be accumulated at the collection point. For this they are employing various techniques from the fields of mathematical modelling and fluid dynamics.

A detection system powered by artificial intelligence and state-of-the-art sensing technology is able to identify relevant waste particles. Combined with a robotic sorting system, this enables proper handling and disposal of the waste.

Phoenix Mecano provides material support to the project and is an official ARC sponsor.

Implementation example: Phoenix Mecano in Stein am Rhein goes solar

Phoenix Mecano Komponenten AG in Stein am Rhein, Switzerland, installed a photovoltaic system in 2021. Covering an area of 1281 m^2, the system generates enough power to meet around 65 % of the company's annual electricity consumption.

The 676 modules deliver a maximum output of 263.64 kilowatts peak (kWp), producing around 220 000 kWh of electricity annually. This could supply 49 average four-person households in Switzerland with electricity for a whole year.

The 220 000 kWh of solar power now generated in-house saves around 86 tonnes of CO_2 emissions per year. To put this in context, it would take almost 3000 trees to offset that amount of emissions.

As well as using the electricity in its operations, the company also plans to supply power to an electric vehicle charging station. Meanwhile, preparations have been made to install further charging stations.

And there is more usable roof space still available...

CORPORATE GOVERNANCE

Corporate governance

Phoenix Mecano's corporate governance promotes transparent and responsible management of the business and sustainable value creation. This corporate governance report generally follows the structure of the Directive on Corporate Governance (DCG) published by SIX Swiss Exchange. The remuneration report follows in a separate section starting on page 43.

GROUP STRUCTURE AND SHAREHOLDERS

Phoenix Mecano is a global technology enterprise in the enclosures and industrial components sectors and has significant market shares in the international growth markets. It manufactures technical enclosures, mechanical components, electrical drives, electronics components and complete system integrations in its three divisions. Its important areas of application are mechanical engineering, measurement and control technology, electrical engineering, automotive and railway technology, energy technology, medical technology, aerospace technology and home and hospital care.

The Group is split into three divisions: DewertOkin Technology Group (DOT), Industrial Components and Enclosure Systems. Within these divisions, parent companies responsible for product management operate with the help of global production sites and sales companies. In Switzerland, Phoenix Mecano is present at two locations: Kloten, from where Phoenix Mecano Management AG runs the Group's operations, and Stein am Rhein, which is home to the headquarters of the Group's holding company as well as to Phoenix Mecano Komponenten AG, which distributes Phoenix Mecano's various product ranges in Switzerland.

The Group's overall structure has always been very lean. Operational responsibility lies with the management. The Extended Group Leadership Committee, including the operational managers of the Group's divisions, main business units and regions, as well as sales and production, assists with the coordination of business activities. The Group's operational structure is presented on pages 40 and 41. Detailed information about the scope of consolidation can be found on pages 60 to 62 of the consolidated financial statements. None of the shareholdings is listed. For DewertOkin Technology Group Co., Ltd., preparations are being made for a partial listing in China.

Cross-ownership

There is no cross-ownership between the subsidiaries or between the subsidiaries and the parent company.

Shareholders' agreements

There are no shareholders' agreements.

CAPITAL STRUCTURE

Capital/shares and participation certificates

The bearer shares of Phoenix Mecano AG, Stein am Rhein, are listed on SIX Swiss Exchange, Zurich. As at 31 December 2021, the share capital was fully paid up and consisted of 960 500 bearer shares (securities no.: Inh. 218781; ISIN: CH0002187810; Reuters: PM.S; Telekurs/Telerate: PM, Bloomberg: PM SE Equity) with a par value of CHF 1.00. All shares, apart from those owned by the company, fully entitle the bearer to vote and receive a dividend. As at the balance sheet date, the company owned 189 treasury bearer shares. Based on the 2021 year-end price of CHF 405.50, the market capitalisation as at 31 December 2021 was CHF 389.5 million. There are no nominal shares and no participation or dividend-right certificates.

Significant shareholders, each holding a share of the voting rights equivalent to over 3 % of the share capital as at 31 December 2021

Name in %	Head office	2021	2020
Planalto AG[2]	Luxembourg, Luxembourg	34.6[1]	34.6[1]
Tweedy, Browne Company LLC, Stamford, USA[3]	Stamford, USA	8.5[1]	8.5[1]
Tweedy, Browne Global Value Fund[4] *(A subdivision of Tweedy, Browne Fund Inc.)*	*Stamford, USA*	*7.2*[1]	*7.2*[1]
J. Safra Sarasin Investmentfonds AG (formerly Sarasin Investmentfonds AG)	Basel, Switzerland	5.1[1]	5.1
Credit Suisse Funds AG	Zurich, Switzerland	3.9	< 3
UBS Fund Management (Switzerland) AG	Basel, Switzerland	3.8	[1]

1 Shareholding not notified in the year indicated.
2 The economic beneficiary and person entitled to exercise voting rights is Gisela Goldkamp. The owner of the voting rights is Benedikt A. Goldkamp.
3 Tweedy, Browne Company LLC (TBC) is not an economic beneficiary owner of the shares. TBC has been delegated voting authority pursuant to separate investment advisory agreements. Please note that included in the shares reported with this filing are 68640 shares held by Tweedy, Browne Global Value Fund, a direct acquirer and economic beneficiary.
4 Pursuant to an investment advisory agreement between Tweedy, Browne Global Value Fund (TBGVF) and TBC, TBGVF has delegated voting authority with respect to 68640 bearer shares in Phoenix Mecano AG to TBC. TBC is not an economic beneficiary of any of the shares. TBGVF is the sole economic beneficiary of the shares.

This information is based on notifications by the aforementioned shareholders. Individual notifications can be viewed at the following link of SIX Swiss Exchange: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Change in capital

Year of buy-back	Cancelled shares Number	Average repurchase price CHF	Shares outstanding Number
2007/2008	58 500	510.74	1 011 000
2008/2009	33 000	336.42	978 000
2012/2013	17 500	467.54	960 500

Contingent and authorised capital

At present the Group has no contingent or authorised capital.

Changes in capital

There have been no changes in capital since 2014.

Limitations on transferability and nominee registrations

Since Phoenix Mecano AG has issued no nominal shares, there are no limits on transferability.

Convertible bonds and options

There are no convertible bonds and no options.

BOARD OF DIRECTORS

The Board of Directors is the company's senior management body and comprises at least four members. In 2021, the Board of Directors had five members. It usually holds meetings quarterly. Five Board of Directors meetings took place in 2021, each lasting an average of four hours.

Due to the COVID-19 pandemic, all but one were held by video or telephone conference.

Elections and terms of office

The members of the Board of Directors are elected individually by the Shareholders' General Meeting for a term of one year until the end of the next ordinary Shareholders' General Meeting. There are no restrictions on re-election. The Chairman is elected by the Shareholders' General Meeting from among the members of the Board of Directors for a term of office of one year, until the end of the next ordinary Shareholders' General Meeting. This term may also be renewed. The Board of Directors designates someone to take the minutes, who does not necessarily have to be a member of the Board of Directors.

Definition of areas of responsibility

The powers of the Board of Directors are set out in the Swiss Code of Obligations as well as in Phoenix Mecano AG's Articles of Incorporation, which state that the Board of Directors is entitled to transfer the management or individual branches thereof and the representation of the company to one or more of its members or to other natural persons, pursuant to its own rules of procedure governing organisational matters, except where mandatory legal provisions stipulate otherwise. To this end it may set up committees, appoint, monitor or recall delegates or appoint a management comprising one or more of its own members or external persons. The Board of Directors determines the powers and obligations of committees, delegates, management, deputy directors and executives with a power of attorney. The Board of Directors is authorised to take decisions provided that a majority of its members is present.

Decisions are taken by a majority of votes cast by those present. In the event of a tie, the Chairman has the casting vote. If the Chairman is unable to attend or is excluded from the decision-making, the Independent Lead Director has the casting vote. By law and pursuant to the company's Articles of Incorporation, the Board of Directors has the following main duties and powers:

- Preparation of the proceedings of the Shareholders' General Meeting, especially the annual report, financial statements and proposals on the appropriation of earnings
- Determination of corporate goals and the principles underlying corporate policy and strategy
- Determination of the company's policy on risks
- Decision-making regarding the establishment or cessation of major divisions of the company and authorisation of the acquisition or disposal of shareholdings, plus authorisation of any changes to the legal structure of the
- Group decision-making on the budget and medium-term planning (product and market strategy, financial and investment guidelines)
- Allocation of signatory powers to members of the Board of Directors and determination of the principles governing signatures below that level
- Determination of the principles of reporting to the Board of Directors, approval of the principles governing the company's finances and accounts and also internal and external audits
- Preparation of the remuneration report.

The Chairman performs an executive role. In the event of potential conflicts of interest, the Chairman is represented by the Independent Lead Director. The Chairman's executive duties include in particular:

- representing the company and the Group externally and overseeing public relations, including media contacts and corporate identity, as agreed internally with the CEO
- monitoring compliance with and enforcement of Board of Directors' decisions
- setting HR and wage policy, including pensions, unless otherwise determined by law, the Articles of Incorporation or the rules of procedure governing organisational matters
- overseeing the acquisition and sale of investments and submitting proposals for approval to the Board of Directors
- monitoring subsidiaries' budgeting processes.

Number of permitted activities pursuant to Article 12(1)(1) ERCO (rules laid down in Article 22 of the Articles of Incorporation)

Members of the Board of Directors, the management and any advisory board may not hold or perform more than the following number of additional positions or activities in senior management or administrative bodies of other legal entities which are required to register themselves in the commercial register or an equivalent foreign register and which do not control or are not controlled by the company:

- 5 mandates with companies whose equity securities are listed on a stock exchange, where multiple mandates with different companies belonging to the same group count as one mandate; and
- 10 paid mandates with other legal entities, where multiple mandates with different companies belonging to the same group count as one mandate; and
- 10 unpaid mandates, where the reimbursement of expenses is not considered as remuneration.

Mandates fulfilled by a member of the Board of Directors or the management at the instruction of the company are not covered by this restriction on additional mandates. There are no rules in the Articles of Incorporation that differ from the statutory legal provisions with regard to the appointment of the Chairman of the Board of Directors, the members of the Compensation Committee or the independent proxy.

Cross-linkage

There is no cross-linkage. In other words, no member of the Phoenix Mecano AG Board of Directors serves on the supervisory board of a listed company of a fellow member of the Board of Directors.

Internal organisational structure

The Board of Directors is deliberately kept small and usually performs its duties collectively. The Audit Committee, first set up in 2003, is primarily responsible for monitoring external audits. In that task it is supported by the Internal Auditing Department. The Audit Committee is chaired by Dr Florian Ernst in his capacity as a non-executive member of the Board of Directors. Dr Ernst is a certified auditor and has the necessary knowledge and experience of finance and accounting. Another member of the Audit Committee since 2003 is Ulrich Hocker, a non-executive member of the Board of Directors. Mr Benedikt A. Goldkamp, Chairman of the Board of Directors, has been an Audit Committee member since 28 September 2016. These members were proposed to the 2021 Shareholders' General Meeting for election individually and re-elected. The CFO also attends meetings.

The Committee met once in 2021 and held another meeting by videoconference.

Each meeting lasted an average of three hours.

The Audit Committee works in an advisory capacity and prepares draft resolutions and recommendations for the attention of all members of the Board of Directors. Decisions are taken by the whole Board of Directors.

The Compensation Committee is the remuneration committee required by the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). The Compensation Committee meets as often as required, but at least once a year. One meeting took place in 2021, lasting half an hour.

The existing members Beat Siegrist, Ulrich Hocker and Dr Martin Furrer were proposed to the 2021 Shareholders' General Meeting for election individually and re-elected. The Compensation Committee draws up proposed remuneration guidelines for the Board of Directors and management. It can call in external compensation specialists to offer neutral advice or provide studies or data as a basis for comparison in setting remuneration. It also makes recommendations for Board of Directors compensation and the fixed and variable remuneration components for management.

It prepares the Board of Directors' decision concerning the remuneration of the Board of Directors and management and submits a proposal to the Board of Directors on this matter. Based on the Compensation Committee's proposal, the whole Board of Directors decides on the remuneration of members of the Board of Directors and management and submits its decision to the Shareholders' General Meeting for approval, in accordance with the Articles of Incorporation. The Chairman of the Board of Directors attends meetings of the Compensation Committee in an advisory capacity. He leaves the meeting when his own remuneration is being discussed. The CFO also attends meetings. The management has no say in determining its remuneration.

Information and control instruments vis-à-vis the management

The Board of Directors has a number of instruments to enable it to perform its duties vis-à-vis the management to the fullest extent. For example, the company has a management information system encompassing all Phoenix Mecano Group companies. It includes detailed balance sheet and statement of income figures and enables the company to obtain a quick and reliable picture of the income and assets of the Group, divisions or individual product areas and companies at any time. Reporting takes place monthly. The Chairman of the Board of Directors discusses the earnings and financial position with the management on a monthly basis. Regular meetings with members of the management ensure that the other Board members are fully informed and have a sound basis for decision-making.

Set up in 2002, the dedicated, full-time Internal Auditing Department is accountable to the Board of Directors and reports directly to it. Key audit issues in 2021 were accounts receivable and inventory management, the internal control system, the risk management system, transfer pricing documentation, compliance, tangible assets, IT and reporting. A review of construction expenditure was also conducted at one company. A quality assessment performed by an external auditor (PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, Germany) in early 2022 confirmed that the Phoenix Mecano Group's Internal Auditing Department complied with international standards. A quality assessment is carried out every five years.

A Group-wide risk management system was introduced in 2002 and a Group-wide internal control system in 2008. Both systems have proved invaluable and are continuously updated. Integrated software for both areas was rolled out in 2012. An in-depth review of internal control guidelines took place in 2014, covering control requirements and frequencies as well as documentation requirements. Risk management system processes were optimised in 2016.

Information on risks and how they are dealt with can be found in the risk management section on page 26 and in notes 21 and 22 to the consolidated financial statements on page 76.

Members of the Board of Directors and its committees

BOARD OF DIRECTORS

Benedikt A. Goldkamp
Chairman
Executive role
Member since 2000

Ulrich Hocker
Independent Lead Director
Non-executive role
Member since 1988

Dr Florian Ernst
Non-executive role
Member since 2003

Dr Martin Furrer
Non-executive role
Member since 2003

Beat Siegrist
Non-executive role
Member since 2003

AUDIT COMMITTEE

Dr Florian Ernst (Chairman)
Member since 2003

Ulrich Hocker
Member since 2003

Benedikt A. Goldkamp
Member since 2016

COMPENSATION COMMITTEE

Beat Siegrist (Chairman)
Member since 2013

Ulrich Hocker
Member since 2013

Dr Martin Furrer
Member since 2013

All members of the Board of Directors are elected for one year until the 2022 Shareholders' General Meeting.

Board of Directors

as at 31 December 2021

BENEDIKT A. GOLDKAMP (CH)
Executive role

Chairman of the Board of Directors since 20 May 2016 Member of the Board of Directors since 2000
Delegate of the Board of Directors
and CEO from 1 July 2001 to 20 May 2016
Born in 1969, Resident in Lufingen (Switzerland)

Gained a degree in financial consultancy, followed by a Master of Business Administration from Duke University. 1996–1997 Worked as a strategy consultant at McKinsey & Co. 1998–2000 Managed the Group's own production company in Hungary and several Group-internal restructuring projects.

Has been a member of the management and Board of Directors of Phoenix Mecano AG since 2000.

Other activities and vested interests

– Activities in governing and supervisory bodies: Model Holding AG, Weinfelden, Switzerland (member of the Board of Directors).

ULRICH HOCKER (D)
Non-executive role

Independent Lead Director
Member of the Board of Directors since 1988
Chairman of the Board of Directors
from 2003 to 20 May 2016
Born in 1950, Resident in Düsseldorf (Germany)

Trained as a banker. Law degree, attorney at law. 1985–1993 Managing Director, 1994–2011 Chief Managing Director and since 21 November 2011 President of the Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW).

Other activities and vested interests

– Activities in governing and supervisory bodies: Feri Finance AG, Bad Homburg, Germany (Deputy Chairman of the Supervisory Board); DMG Mori Seiki AG, Bielefeld, Germany (Deputy Chairman of the Supervisory Board).
– Permanent management and consultancy functions: Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW), Düsseldorf, Germany.

DR FLORIAN ERNST (CH)
Non-executive role

Member of the Board of Directors since 2003
Born in 1966, Resident in Zollikon (Switzerland)

Graduated as Dr oec. HSG in 1996. Qualified as an auditor in 1999. Worked as an auditor at Deloitte & Touche AG in Zurich until 1999. Then held various positions in the banking sector, including as a mergers & acquisitions consultant and the CFO of an alternative investment company in Pfäffikon, Schwyz. 2008–2015 Occupied a number of posts at Deutsche Bank (Switzerland) AG, Zurich, including as Global Head Private Equity Distribution and advising clients in the Asset & Wealth Management Division. Since 2016 has performed various assignments, with a focus on private markets, as a partner at Finerco GmbH, Zollikon.

Other activities and vested interests

– Activities in governing and supervisory bodies: Tolomeo Capital AG, Zurich, Switzerland (member of the Board of Directors until late 2020).

DR MARTIN FURRER (CH)
Non-executive role

Member of the Board of Directors since 2003
Born in 1965, Resident in Zumikon (Switzerland)

Gained a doctorate in law (Dr iur.) from the University of Zurich, then an MBA from INSEAD in Fontainebleau, and passed the bar examination of the Canton of Zurich. Started out as a lawyer for Baker McKenzie in Sydney, then became a strategy consultant for McKinsey & Co. in Zurich. Has been back working as a lawyer for Baker McKenzie in Zurich since 1997, specialising in mergers & acquisitions, real estate transactions, private equity and employee participation models. Has been a partner at Baker McKenzie since 2002 and co-managing partner since 2016.

Other activities and vested interests

– Activities in governing and supervisory bodies: Pilatus Aircraft Ltd, Stans, Switzerland (member of the Board of Directors).

Management

as at 31 December 2021

BEAT SIEGRIST (CH)
Non-executive role

Member of the Board of Directors since 2003
Born in 1960, Resident in Herrliberg (Switzerland)

Gained the following qualifications: Dipl. Ing. ETH in 1985, MBA INSEAD, Fontainebleau and McKinsey Fellowship. 1985–1986 Development engineer for data transfer with Contraves. 1987–1993 Consultant and project manager at McKinsey & Co. 1993–1996 Founder and CEO of Outsourcing AG. 1996–2008 CEO of Schweiter Technologies, Horgen. 2008–2012 CEO of the Satisloh Group and member of the Management Committee of Essilor. Since 2008 member and since 2011 Chairman of the BoD of Schweiter Technologies, Horgen. Member of the BoD of INFICON Holding AG, Bad Ragaz, since 2010. 2013–2018 Chairman of the BoD of Garaventa Accessibility AG, Goldau.

Other activities and vested interests

– Activities in governing and supervisory bodies: Schweiter Technologies, Horgen, Switzerland (Chairman of the BoD); INFICON Holding AG, Bad Ragaz, Switzerland (member of the BoD); The Island Rum Company AS, Oslo, Norway (member of the BoD).

DR ROCHUS KOBLER (CH)
CEO

Member of the management since 2010
Dr oec. HSG, Dipl. Ing. ETH/MSc.
Born in 1969, Resident in Unterägeri (Switzerland)

1997–2002 Senior engagement manager at McKinsey in Zurich, Johannesburg and Chicago. 2002–2010 CEO and member of the Board of Directors of the international production and trading group Gutta. He was COO from 1 September 2010 to May 2016, and in June 2016 became CEO with responsibility for the operational management of the Phoenix Mecano Group.

RENÉ SCHÄFFELER (CH)
CFO

Member of the management since 2000
Certified accountant/controller
Born in 1966, Resident in Stein am Rhein (Switzerland)

Commercial training and active for several years in the banking sector. At Phoenix Mecano since 1989. After serving as controller (until 1991), Head of the Group Accounting Department (1992–1996) and Deputy Director of Finances and Controlling (1997–2000), he has been CFO since 2000. In this post he is responsible for finances, group accounting, controlling, taxes, legal affairs and IT.

MANAGEMENT

The management comprises the company's CEO and CFO. It is chaired by the CEO. The CEO and CFO are appointed by the Chairman of the Board of Directors. The management aids the Chairman of the Board by coordinating the Group's companies and advises on matters affecting more than one division.

Other activities and vested interests

No members of the management have any relevant activities or vested interests to declare.

Number of permitted activities pursuant to Article 12(1)(1) ERCO

The number of permitted activities for members of the management is laid down in Article 22 of the company's Articles of Incorporation. The relevant rules are cited on page 34 f. in the Board of Directors section.

Management contracts

There are no management contracts between the Group and companies or persons with management duties.

Compensation, Shareholdings and loans

Remuneration report: pages 42 ff.; financial statements: pages 47 ff.

SHAREHOLDERS' PARTICIPATION RIGHTS

Voting rights and proxy voting

Each share entitles the holder to one vote at the Shareholders' General Meeting. There is no restriction on voting rights. Shareholders may be represented at the Shareholders' General Meeting by their legal representative, another third party with written authorisation or the independent proxy. All of the shares held by a shareholder can only be represented by one person.

Instructions to the independent proxy

The Board of Directors ensures that shareholders can also transmit their proxies and instructions to the independent proxy by electronic means. The Board of Directors determines the requirements applying to proxies and instructions. In the run-up to the ordinary Shareholders' General Meeting, shareholders can transmit their proxies and instructions to the independent proxy by electronic means. The independent proxy is elected for one year by shareholders at the ordinary Shareholders' General Meeting.

Quorums required by the Articles of Incorporation

Unless the law or the company's Articles of Incorporation stipulate that decisions be taken by a qualified majority, the Shareholders' General Meeting takes decisions by means of an absolute majority of the votes cast, irrespective of the number of shareholders present or the number of votes. In the event of a tie, the Chairman has the casting vote, except in elections, where the final decision will be taken by lots if need be.

The adoption and amendment of the Articles of Incorporation and any decisions entailing an amendment of the Articles of Incorporation must be approved by three quarters of the votes cast, irrespective of the number of shareholders present or the number of votes.

Convocation of the Shareholders' General Meeting / Inclusion of items on the agenda

The Shareholders' General Meeting (GM) is the company's top body. It is headed by the Chairman. Invitations to the GM are issued at least 20 days in advance of the meeting by means of a single announcement in the company's publications. The invitation must contain the agenda of the meeting and the proposals by the Board of Directors and shareholders who called for the convocation of a Shareholders' General Meeting or the inclusion of an item on the agenda. Shareholders representing shares totalling 3 % of the share capital may request the inclusion of an item on the agenda. The written request including the shareholder's agenda items and proposals must reach the company at least 45 days prior to the Shareholders' General Meeting.

To protect shareholders and employees from exposure to the novel coronavirus, the 2021 ordinary Shareholders' General Meeting of Phoenix Mecano AG was not held as a physical meeting. Based on the COVID-19 Ordinance 3, the shareholders could only exercise their rights through the independent proxy.

Shareholders' rights

All shareholders are entitled to attend the Shareholders' General Meeting. To participate and make use of their rights to vote and submit proposals, they must demonstrate their share ownership.

Entries in the share register

Since Phoenix Mecano AG has only issued bearer shares, no share register is kept.

CHANGES OF CONTROL AND DEFENCE MEASURES

Duty to make an offer

The limit for the obligation to make an offer pursuant to Article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading is 45 % of the voting rights (opting up). Under the Swiss Stock Exchange Act, a potential acquiring company may be exempted from the obligation to make a public purchase bid (opting out). Phoenix Mecano has not made use of this possibility.

Clauses on changes of control

There are no change-of-control clauses. Nor are there any agreements about extending contracts in the event of a hostile takeover. This applies to serving members of the Board of Directors and management as well as to other executive staff.

Share ownership by members of the Board of Directors and management and persons related to them

Name	Position	Number 31.12.2021	Number 31.12.2020
Benedikt A. Goldkamp	Chairman of the Board of Directors	6 486	5 386
Ulrich Hocker	Independent Lead Director	8 898	8 898
Dr Florian Ernst	Board Member	10	10
Dr Martin Furrer	Board Member	200	100
Beat Siegrist	Board Member	807	807
Shares held by the Board of Directors		**16 401**	**15 201**
Dr Rochus Kobler	Member of the management/CEO	1 314	1 214
René Schäffeler	Member of the management/CFO	1 000	850
Shares held by the management		**2 314**	**2 064**

AUDITORS

Duration of the mandate and term of office of the lead auditor

By a decision of the Shareholders' General Meeting on 21 May 2021, BDO AG, Zurich, were appointed as statutory auditors for the accounting and financial statements of Phoenix Mecano AG and as Group auditors of the consolidated financial statements of the Phoenix Mecano Group for a period of one year. BDO AG, Zurich, assumed the mandate as statutory and Group auditors in 2019. The lead auditor is Mr Christoph Tschumi. The lead auditor is replaced every seven years.

Auditing fees

In the reporting year, BDO AG received fees totalling EUR 576 000 for auditing the 2021 financial statements and consolidated financial statements.

Additional fees

BDO AG received additional fees of EUR 16 000 in the reporting year for tax and legal advice. Tax consultancy is largely provided by KPMG in the interests of independence.

Audit supervision and control instruments

Phoenix Mecano has a dedicated full-time Internal Auditing Department and a Board of Directors' Audit Committee. The external auditors attended both Audit Committee meetings in the reporting year. They inform the Audit Committee, both orally and in writing, of the outcome of the Group audit and the audit of the financial statements of Phoenix Mecano AG. Specific observations relating to the audit are presented to the Board of Directors in the form of a comprehensive report.

The Audit Committee assesses the auditors' performance and independence annually based on the documents, reports and presentations they produce and the relevance and objectivity of their observations. In so doing, the Committee also takes into account the opinion of the CFO. The amount of the auditors' fees is regularly reviewed and compared with the auditing fees of other industrial companies. It is negotiated by the CFO and approved by the Audit Committee. Other services provided by BDO are approved by either the CFO or the Audit Committee, depending on their scope.

All services performed outside the scope of the statutory audit mandate are compatible with the audit duties.

Auditing fees/Additional fees

in 1 000 EUR	2021	2020
Total auditing fees	**576**	**563**
Tax consultancy	2	8
Legal advice	6	12
Miscellaneous	8	0
Total additional fees	**16**	**20**
Total	**592**	**583**

INFORMATION POLICY

Phoenix Mecano informs its stakeholders in an open and comprehensive way to create trust and promote understanding of the company. Its high level of transparency enables all stakeholder groups to make a full and accurate assessment of business development and prospects and the sustainability of management and corporate policy.

Relevant information about the Group's business activities is provided in its annual reports, semi-annual reports and media releases as well as at media and analysts' conferences and the Shareholders' General Meeting. Company representatives maintain regular contact with the capital market as well as media representatives, financial analysts and investors. This also includes roadshows in Switzerland and abroad and one-on-one meetings at the company's headquarters.

The calendar of events and publications and the contact details of the investor relations manager can be found on page 100. Detailed information is also available online at www.phoenix-mecano.com.

The Group's annual reports, latest media information and Articles of Incorporation can be downloaded:
- Annual reports/Semi-annual reports: www.phoenix-mecano.com/en/investor-relations/annual-reports/annual-reports
- Media information: www.phoenix-mecano.com/en/media
- Articles of Incorporation: www.phoenix-mecano.com/en/downloads
- Shareholders' General Meeting (invitation, results of votes): www.phoenix-mecano.com/en/investor-relations/general-meeting

Information about transactions by members of the Board of Directors and management can be found at the following link:
- www.six-exchange-regulation.com/en/home/publications/management-transactions.html

For ad-hoc disclosures, the relevant pages are:
- Pull link: www.phoenix-mecano.com/en/media/current-media-releases
- Push link: www.phoenix-mecano.com/en/media/subscribe

Print media announcements are published in the Swiss Official Gazette of Commerce (SOGC) as well as a number of major daily newspapers in German-speaking Switzerland.

GENERAL BLACKOUT PERIODS

For permanent insiders (members of the Board of Directors and the management as well as employees who have regular access to insider information as part of their duties) and temporary insiders, Phoenix Mecano's insider guidelines stipulate fixed blackout periods during which they may not trade in securities (e.g. Phoenix Mecano shares). The fixed blackout periods start on the day after the end of the reporting period for the annual results (i.e. on 5 January), half-yearly results (5 July) and quarterly results (5 April, 5 October) and end at the close of the first trading day after the public announcement of the results for the relevant reporting period. The fixed blackout periods must be observed regardless of whether the person concerned believes that they have insider information.

The Head of Corporate Communications maintains a list of permanent insiders. These individuals have confirmed by signature that they have taken note of, and will adhere to, the insider guidelines. The Head of Communications informs permanent insiders by email about the start of the fixed blackout periods. In addition, the CEO may set variable blackout periods for permanent and temporary insiders.

Group operational structure

GROUP HEADQUARTERS, SWITZERLAND
Phoenix Mecano AG, Hofwisenstrasse 6, CH-8260 Stein am Rhein
www.phoenix-mecano.com

FINANCE AND SERVICE COMPANIES

SWITZERLAND
Phoenix Mecano Management AG
CH-8302 Kloten
Managing directors:
B. A. Goldkamp, Dr R. Kobler, R. Schäffeler

BRAZIL
Phoenix Mecano Holding Ltda.
CEP 04726-160 São Paulo - SP
Managing director:
D. Weber

GERMANY
IFINA Beteiligungsgesellschaft mbH
D-32457 Porta Westfalica
Managing director:
M. Sochor

DEWERTOKIN TECHNOLOGY GROUP

Dr J. Gross

BRAZIL
DewertOkin do Brasil Ltda.
CEP 04726-160 São Paulo - SP
Managing director:
D. Weber

GERMANY
BEWATEC ConnectedCare GmbH
D-48291 Telgte
Managing director:
R. Lietzow

DewertOkin GmbH
D-32278 Kirchlengern
Managing director:
D. Flören

SWEDEN
DewertOkin AB
SE-35104 Växjö
Managing director:
D. Flören

SWITZERLAND
DewertOkin AG
CH-8260 Stein am Rhein
Managing director:
M. Kleinle

HUNGARY
DewertOkin Kft.
H-6000 Kecskemét
Managing director:
Ch. Porde

DewertOkin Services Kft.
H-6000 Kecskemét
Managing director:
Ch. Porde

URUGUAY
DewertOkin Latin America S.A.
Montevideo, 11.300
Managing director:
D. Weber

USA
OKIN America Inc.
Shannon, MS 38868
Managing directors:
Dr J. Gross, M. Kleinle

VIETNAM
Okin Vietnam Company Ltd.
Binh Duong
Managing director:
S. Li

PEOPLE'S REPUBLIC OF CHINA
DewertOkin Technology Group Co., Ltd.
314024 Jiaxing
Managing directors:
Dr J. Gross, S. Li

Haining MyHome Mechanism Co. Ltd
Haining, Jiaxing
Managing director:
Dr J. Gross

BEWATEC Technologies Co., Ltd.
314299 Zhejiang
Managing director:
S. Ma

BEWATEC (Zhejiang) Medical Equipment Co., Ltd.
314001 Jiaxing
Managing director:
Dr J. Gross

BEWATEC (Shanghai) Medical Device Co., Ltd.
201702 Shanghai
Geschäftsführung:
Dr J. Gross

INDUSTRIAL COMPONENTS

Dr R. Kobler

GERMANY
Hartmann Electronic GmbH
D-70499 Stuttgart (Weilimdorf)
Managing director:
F. Godulla

HPC Sekure GmbH
D-82234 Wessling
Managing director:
M. Bergler

Phoenix Mecano Digital Elektronik GmbH
D-99848 Wutha-Farnroda
Managing director:
R. Bormet

PTR HARTMANN GmbH
D-59368 Werne
Managing director:
P. Scherer

REDUR GmbH & Co KG
D-52382 Niederzier
Managing director:
Dr L. Schunk

RK Antriebs- und Handhabungs-Technik GmbH
D-29553 Bienenbüttel
Managing director:
A. Kebbel

RK Rose + Krieger GmbH
D-32423 Minden
Managing director:
Dr G. Langer

RK Schmidt Systemtechnik GmbH
D-66606 St. Wendel
Managing director:
J. U. Schmidt

RK System & Lineartechnik GmbH
D-88682 Salem-Neufrach
Managing director:
Dr G. Langer

W-IE-NE-R Power Electronics GmbH
D-51399 Burscheid
Managing director:
A. Köster

THE NETHERLANDS
PM Special Measuring Systems B.V.
NL-7532 SN Enschede
Managing director:
R. Lachminarainsingh

SWEDEN
Phoenix Mecano AB
SE-35245 Växjö
Managing director:
P. Nilsson

CZECH REPUBLIC
Ismet transformátory s.r.o.
CZ-67139 Běhařovice
Managing director:
O. Huppertz

TUNISIA
Phoenix Mecano Digital Tunisie S.à.r.l.
TN-2084 Borj-Cedria
Managing director:
R. Bormet

Phoenix Mecano ELCOM S.à.r.l.
TN-1111 Zaghouan
Managing director:
C. Fitouri

USA
Orion Technologies, LLC
Orlando, FL 32826
Managing director:
N. Pandya

Tefelen LLC
Frederick, MD 21704
Managing director:
P. Brown

W-IE-NE-R Power Electronics Corp.
Springfield, OH 45503
Managing director:
Dr A. Ruben

PEOPLE'S REPUBLIC OF CHINA
PTR HARTMANN (Shaoguan) Co., Ltd.
Shaoguan City
Managing directors:
E. Lam, P. Scherer

ENCLOSURE SYSTEMS

Dr H.W. Rixen

GERMANY
Bopla Gehäuse Systeme GmbH
D-32257 Bünde
Managing director:
R. Bokämper

Kundisch GmbH & Co. KG
D-78056 Villingen-Schwenningen
Managing director:
R. Bokämper

Rose Systemtechnik GmbH
D-32457 Porta Westfalica
Managing director:
Dr H. W. Rixen

PRODUCTION AND SALES COMPANIES

AUSTRALIA
Phoenix Mecano Australia Pty Ltd.
Tullamarine, VIC 3043
Managing directors:
S. J. Gleeson, T. Thuess

BELGIUM
Phoenix Mecano NV
B-9800 Deinze
Managing director:
P. Wieme

DENMARK
Phoenix Mecano ApS
DK-6400 Sønderborg
Managing directors:
I. Kljucar, R. Bokämper

FRANCE
Phoenix Mecano S.à.r.l.
F-94120 Fontenay-sous-Bois, Cedex
Managing director:
L. Morlet

UNITED KINGDOM
Phoenix Mecano Ltd.
GB-Aylesbury HP19 8RY
Managing director:
R. Bokämper

INDIA
Phoenix Mecano (India) Pvt. Ltd.
Pune 412115
Managing director:
S. Shukla

ITALY
Phoenix Mecano S.r.l.
IT-41123 Modena
Managing director:
E. Giorgione

KOREA (SOUTH KOREA)
Phoenix Mecano Korea Co., Ltd.
Busan 614-867
Managing director:
J. Lim

THE NETHERLANDS
Phoenix Mecano B.V.
NL-7005 AG Doetinchem
Managing director:
P. Wieme

AUSTRIA
AVS Phoenix Mecano GmbH
A-1230 Wien
Managing director:
R. Kleinrath

ROMANIA
Phoenix Mecano Plastic S.r.l.
RO- 550018 Sibiu
Managing director:
C. Marinescu

RUSSIA
Phoenix Mecano OOO
RUS-124489 Zelenograd, Moskau
Managing director:
M. Opeshansky

SAUDI ARABIA
Phoenix Mecano Saudi Arabia LLC
SA-3451, Dammam
Managing director:
S. Shukla

SWITZERLAND
Phoenix Mecano Komponenten AG
CH-8260 Stein am Rhein
Managing directors:
M. Jahn, W. Schmid

SINGAPORE
Phoenix Mecano S.E. Asia Pte Ltd.
Singapore 408863
Geschäftsführung:
J. Lim

SPAIN
Sistemas Phoenix Mecano España S.A.
E-50197 Zaragoza
Geschäftsführung:
S. Hutchinson

HUNGARY
Phoenix Mecano Kecskemét Kft.
H-6000 Kecskemét
Managing director:
Dr Z. Nagy

USA
Phoenix Mecano Inc.
Frederick, MD 21704
Managing director:
P. Brown

UNITED ARAB EMIRATES
Rose Systemtechnik Middle East (FZE)
Sharjah – U.A.E.
Managing director:
S. Shukla

PEOPLE'S REPUBLIC OF CHINA
Mecano Components (Shanghai) Co., Ltd.
201802 Shanghai
Managing director:
K. W. Phoon

Phoenix Mecano Hong Kong Ltd.
Hong Kong
Managing directors:
E. Lam, R. Kobler, R. Schäffeler

REMUNERATION REPORT

Remuneration report

This remuneration report contains information about the principles, procedures for determining remuneration and components of remuneration of the Board of Directors and management of Phoenix Mecano AG. It is also based on the Articles of Incorporation, the transparency requirements set out in the Swiss Code of Obligations (CO), the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance drawn up by Economiesuisse. The disclosures required under Articles 13–16 of the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) are contained in a separate section at the end of this remuneration report.

REMUNERATION PRINCIPLES AND GOVERNANCE

Remuneration of the management and Board of Directors is based on the following principles:

- Transparency (simplicity, clarity)
- Business success (value creation, shareholder benefit)
- Adherence to market rates of executive pay (benchmarking of similar companies, qualifications and experience).

The 2021 ordinary Shareholders' General Meeting voted on Board of Directors and management remuneration. In addition, the following members of the Compensation Committee were re-elected: Beat Siegrist, Ulrich Hocker, Dr Martin Furrer. The committee is chaired by Beat Siegrist.

The Compensation Committee meets as often as required, but at least once a year. One meeting of the Compensation Committee took place in 2021. The tasks, powers, responsibilities and working methods of the Compensation Committee are described on page 35 of the corporate governance report. The Compensation Committee can call in external compensation specialists to offer neutral advice or provide studies or data as a basis for comparison in setting remuneration.

PROCEDURES FOR DETERMINING REMUNERATION

The composition and level of remuneration awarded to the Board of Directors and management are based on sector and labour market comparisons. The Compensation Committee relies in particular on salary comparisons with other industrial companies listed on SIX Swiss Exchange with similar sales (EUR 100 million to EUR 3 billion), headcounts (1 000 to 15 000) and geographical presence (global), which operate in the same sectors (industrial components, mechanical engineering) and are headquartered in Switzerland.

The variable remuneration of management members and the Executive Chairman of the Board of Directors is based on business criteria. In this way, Phoenix Mecano ensures that management bonuses are conditional upon the creation of added value for shareholders.

The reference indicators for this are the Group's result of the period and equity for the past financial year. Special or one-off items are taken into account, as they also impact on shareholders. In the interests of transparency, leverage effects and complex derivative structures are excluded from the outset.

The non-executive members of the Board of Directors receive only a fixed remuneration in cash, so that they can exercise their supervisory and overall guidance function free from conflicts of interest with the management.

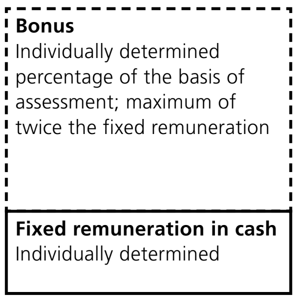
STRUCTURE OF REMUNERATION

The non-executive Board of Directors is remunerated in cash for all of its duties, including ordinary and any extraordinary meetings, committee activities and other extraordinary activities. Expenses are not reimbursed separately. Only in the case of cross-border travel are the actual costs reimbursed.

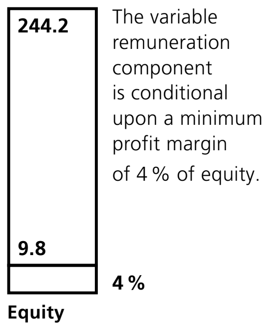
The management of Phoenix Mecano consists of two members: the CEO and CFO. Both hold responsible positions with an overall management role. Remuneration for all members therefore follows the same model, based on a simple but effective formula. Remuneration for the Executive Chairman of the Board of Directors is also based on this formula.

Each member of the management and the Executive Chairman of the Board of Directors receive a fixed remuneration in cash, taking into account their qualifications, experience and area of responsibility, at prevailing market conditions (see also under Procedures for determining remuneration).

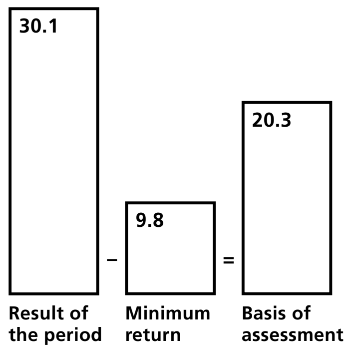
Management remuneration structure



Minimum return 2021
in EUR million



Calculation of basis of assessment for 2021 variable remuneration
in EUR million



In addition, the members of the management and the Executive Chairman of the Board of Directors receive a variable remuneration component (bonus). To determine this component, a minimum profit margin of 4 %, calculated in relation to the Phoenix Mecano Group's balance-sheet equity, is first set aside. This minimum profit is not taken into account in determining the bonus. Bonuses can only be paid if the result of the period, as recorded in the Phoenix Mecano Group's consolidated financial statements, exceeds this minimum amount (for shareholders). No bonus is paid in the event of losses. All management members and the Executive Chairman of the Board of Directors receive their bonus as a percentage of the result of the period less the aforementioned minimum rate of return. The bonus is limited to a maximum of twice the fixed salary. The percentage received by individual management members and the Executive Chairman of the Board of Directors is set in advance, taking into account the individual's areas of responsibility.

No shares were allocated and no options were organised in the reporting year. There are no shareholding programmes for members of the Board of Directors or management under which shares or options could be issued.

SOCIAL SECURITY AND FRINGE BENEFITS

The Phoenix Mecano Group operates a pension plan in Switzerland with a BVG-Sammelstiftung (collective foundation), in which the insurance risks are reinsured and the investment risks are borne by the insured (semi-autonomous pension solution). Members of the management and the Executive Chairman of the Board of Directors are affiliated to this pension plan. Pension payments are based on retirement savings, to which annual retirement credits and interest are added. Upon retirement, the legal framework provides for the payment of an annuity as well as a lump-sum payment. The annuity is calculated by multiplying the relevant retirement savings by the current conversion rate. In addition to retirement benefits, pension benefits also include disability pensions and, in the event of death, partner's and orphan's pensions and, where applicable, a lump-sum death benefit. The Phoenix Mecano Group has also taken out group accident insurance for death and disability as well as daily sickness benefits insurance for members of the management and the Executive Chairman of the Board of Directors.

Management members and the Executive Chairman of the Board of Directors receive lump-sum expenses in accordance with the expense regulations approved by the relevant tax authorities. If they wish, members of the management and the Executive Chairman of the Board of Directors are given a company car for business and private use.

The compensation awarded to members of the Board of Directors is subject to the usual social security contributions. With the exception of the Chairman, members of the Board of Directors do not participate in the Phoenix Mecano pension plan.

ADDITIONAL FEES

In principle, no fees or other allowances for additional services to Phoenix Mecano AG or any of its Group companies are awarded to members of the Board of Directors and management or persons related to them. Exceptions must be approved by the Shareholders' General Meeting.

CONTRACTUAL TERMS AND CONDITIONS

The employment contracts of management members provide for a maximum notice period of 12 months.

SEVERANCE PAY

There is no contractual provision for severance pay for members of the Board of Directors or management.

RULES LAID DOWN IN THE ARTICLES OF INCORPORATION

The Articles of Incorporation include the following rules concerning the vote on Board of Directors and management remuneration, the determination of performance-related pay and the allocation of equity securities, convertible rights and options, as well as concerning loans, credit facilities and post-employment benefits for members of the Board of Directors and management (extract from the Articles of Incorporation of Phoenix Mecano AG, version dated 20 May 2016):

Article 13

Each year the Shareholders' General Meeting shall, with binding effect, separately approve, based on a proposal by the Board of Directors, the maximum total amounts of the remuneration of the Board of Directors, the management (including any Delegate) and any advisory board, for the next financial year commencing after the ordinary Shareholders' General Meeting (the "approval period"). The maximum total amounts approved by the Shareholders' General Meeting may be paid by the company and/or by one or more Group companies.

If an approved maximum total amount for remuneration of the management is insufficient to compensate any members appointed after the resolution of the Shareholders' General Meeting up to the commencement of the next approval period, the company shall have at its disposal an additional amount per person of up to 50 % of the previously approved maximum total remuneration of the management for the approval period in question. The Shareholders' General Meeting shall not vote on the additional amount appropriated.

In addition to the approval pursuant to paragraph 1, the Shareholders' General Meeting may, each year, with binding effect, separately approve, based on a proposal by the Board of Directors, an increase in the approved maximum total amounts for remuneration of the Board of Directors, the management and any advisory board for the approval period ongoing at the time of the relevant Shareholders' General Meeting and/or for the preceding approval period. The Board of Directors shall be entitled to pay all kinds of authorised remuneration using the approved maximum total amounts and/or the additional amounts.

In addition, the Board of Directors may give the Shareholders' General Meeting the opportunity to hold an advisory vote on the remuneration report for the financial year preceding the Shareholders' General Meeting in question.

If the Shareholders' General Meeting refuses to approve a maximum total amount for the members of the Board of Directors, the management or any advisory board, the Board of Directors may submit new proposals at the same Shareholders' General Meeting. If the Board of Directors does not submit new proposals or if the new proposals are also rejected, the Board of Directors may convene another Shareholders' General Meeting at any time, subject to legal requirements and the Articles of Incorporation.

Article 20

The company may pay executive members of the Board of Directors and the members of the management performance-related remuneration. The amount of this remuneration shall be based on the qualitative and quantitative targets and parameters set by the Board of Directors, in particular the overall success of the Group. The performance-related remuneration may be paid in cash or through the allocation of equity securities, conversion or option rights or other rights to equity securities. The Board of Directors shall specify detailed rules for the performance-related remuneration of members of the Board of Directors, the management and any advisory board. Non-executive members of the Board of Directors shall receive a fixed remuneration only.

The company may allocate equity securities, conversion or option rights or other rights to equity securities to members of the Board of Directors, the management and any advisory board as part of their remuneration. If equity securities, conversion or option rights or other rights to equity securities are allocated, the amount of the remuneration shall correspond to the value of the allocated securities and/or rights at the time of the allocation according to generally accepted valuation methods. The Board of Directors may stipulate a lock-up period for retaining the securities and/or rights and determine when and to what extent the beneficiaries acquire permanent entitlement and under what conditions any lock-up periods lapse and the beneficiaries immediately acquire permanent entitlement (e.g. in the event of a change of control, substantial restructuring or certain types of employment contract termination). The Board of Directors shall specify detailed rules.

Article 21

Loans and credit to members of the Board of Directors, the management and any advisory board may not as a rule exceed 100 % of the annual remuneration of the individual in question.

LOANS TO CORPORATE OFFICERS

Phoenix Mecano AG and its Group companies have not granted any securities, loans or credits to current or former members of the management and Board of Directors or persons related to them.

REMUNERATION FOR FINANCIAL YEARS 2021 AND 2020 PURSUANT TO ERCO

The following remuneration was awarded for financial year 2021:

in 1000 CHF	Position	Fixed remuneration	Variable remuneration	Social security and pension	Total remuneration
Benedikt A. Goldkamp	Chairman of the Board of Directors	670	298	148	1 116
Ulrich Hocker	Independent Lead Director	258		17	275
Dr Florian Ernst	Board Member	64		5	69
Dr Martin Furrer	Board Member	64		5	69
Beat Siegrist	Board Member	64		5	69
Remuneration of the Board of Directors		**1 120**	**298**	**180**	**1 598**
Remuneration of the management		**1 186**	**402**	**244**	**1 832**
Remuneration of the Board of Directors and management		**2 306**	**700**	**424**	**3 430**
Highest individual management salary: Dr Rochus Kobler	CEO	724	298	144	1 166

The following remuneration was awarded for financial year 2020:

in 1000 CHF	Position	Fixed remuneration	Variable remuneration	Social security and pension	Total remuneration
Benedikt A. Goldkamp	Chairman of the Board of Directors	674	18	139	831
Ulrich Hocker	Independent Lead Director	257		17	274
Dr Florian Ernst	Board Member	64		5	69
Dr Martin Furrer	Board Member	64		5	69
Beat Siegrist	Board Member	64		5	69
Remuneration of the Board of Directors		**1 123**	**18**	**171**	**1 312**
Remuneration of the management		**1 127**	**25**	**224**	**1 376**
Remuneration of the Board of Directors and management		**2 250**	**43**	**395**	**2 688**
Highest individual management salary: Dr Rochus Kobler	CEO	737	18	141	896

All compensation is short term in nature.

The Phoenix Mecano Group’s consolidated statements of income for 2021 and 2020 include no compensation for former members of the Group’s bodies who left in the preceding period or before. In financial years 2021 and 2020, legal fees amounting to CHF 0.5 million and CHF 0.9 million respectively were paid to law firm Baker McKenzie, in which Dr Martin Furrer is a partner in Zurich.

REPORT OF THE STATUTORY AUDITOR

To the General Meeting of
Phoenix Mecano AG, Stein am Rhein

REPORT OF THE STATUTORY AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the remuneration report of Phoenix Mecano AG for the year ended December 31, 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on page 45 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 re-port.

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 December 31, 2021 of Phoenix Mecano AG complies with Swiss law and articles 14–16 of the Ordinance.

Zurich, March 25, 2022
BDO Ltd

Christoph Tschumi Auditor in Charge Licensed Audit Expert	David Hämmerli Licensed Audit Expert

FINANCIAL REPORT

PHOENIX MECANO GROUP
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

ASSETS

in 1000 EUR	Note	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	3	99 589	77 187
Trade receivables	4	147 111	133 803
Income tax receivables		1 539	5 869
Derivative financial instruments	12	0	38
Other short-term receivables	5	18 218	16 974
Inventories	6	181 131	157 111
Deferred charges and prepaid expenses		2 926	2 363
Total current assets		**450 514**	**393 345**
NON-CURRENT ASSETS			
Tangible assets	7	140 682	129 556
Intangible assets	8	10 906	9 604
Investments in associated companies	9	2 657	2 482
Other financial assets	10	1 443	1 110
Deferred tax assets	16	10 795	8 869
Total non-current assets		**166 483**	**151 621**
Total assets		**616 997**	**544 966**

EQUITY AND LIABILITIES

in 1000 EUR	Note	2021	2020
LIABILITIES			
Trade payables		118 579	85 682
Short-term financial liabilities	11	93 849	92 037
Derivative financial instruments	12	461	1 740
Short-term provisions	13	15 860	19 697
Short-term pension obligations	14	245	244
Income tax liabilities		3 989	3 598
Other short-term liabilities	15	32 166	24 707
Short-term deferred income		1 704	1 823
Short-term liabilities		**266 853**	**229 528**
Long-term financial liabilities	11	86 297	100 575
Long-term provisions	13	3 459	5 462
Long-term pension obligations	14	5 080	6 163
Long-term deferred income		9 857	8 940
Deferred tax liabilities	16	1 206	1 951
Long-term liabilities		**105 899**	**123 091**
Total liabilities		**372 752**	**352 619**
EQUITY			
Share capital	17	852	852
Treasury shares	18	–77	–194
Retained earnings		225 452	198 999
Translation differences		6 314	–7 204
Equity attributable to shareholders of the parent company		**232 541**	**192 453**
Minority interest	19	11 704	–106
Total equity		**244 245**	**192 347**
Total equity and liabilities		**616 997**	**544 966**

CONSOLIDATED STATEMENT OF INCOME 2021

in 1000 EUR	Note	2021	2020
Net revenue	27	**809 590**	**682 126**
Changes in inventories		3 191	3 369
Own work capitalised		3 359	1 187
Other operating income	28	10 457	9 411
Cost of materials	29	– 450 936	– 361 685
Personnel expenses	30	– 219 837	– 205 869
Depreciation on tangible assets		– 18 880	– 19 514
Amortisation of intangible assets		– 3 418	– 2 926
Impairment losses and reversal of impairment losses on tangible and intangible assets		9	– 3 344
Other operating expenses	31	– 89 591	– 80 325
Operating result		**43 944**	**22 430**
Result from associated companies	9	273	380
Financial income	32	5 210	7 280
Financial expenses	33	– 7 211	– 13 489
Financial result		**– 1 728**	**– 5 829**
Result before tax		**42 216**	**16 601**
Income tax	34	– 12 104	– 7 721
Result of the period		**30 112**	**8 880**
of which			
Shareholders of the parent company		31 198	9 044
Minority shareholders		– 1 086	– 164
EARNINGS PER SHARE			
Earnings per share – undiluted (in EUR)	35	32.49	9.42
Earnings per share – diluted (in EUR)	35	32.49	9.42

CONSOLIDATED STATEMENT OF CASH FLOW 2021

in 1000 EUR	Note	2021	2020
Result of the period		30 112	8 880
Income tax	34	12 104	7 721
Result before tax		**42 216**	**16 601**
Depreciation on tangible assets	7	18 880	19 514
Amortisation of intangible assets	8	3 418	2 926
Losses/(gains) on the disposal of tangible and intangible assets	28, 31	– 141	– 2 320
Impairment losses/(reversal of impairment losses) on tangible and intangible assets	7, 8	– 9	3 344
Losses and value adjustments on inventories	6	4 115	6 526
Loss/(gain) from associated companies	9	– 273	– 380
Loss/(gain) on the disposal of Group companies	33, 39	0	1 612
Expenses from employee participation plan		663	4 551
Other non-cash expenses/(income)		– 1 236	2 574
Increase/(decrease) in long-term provisions and pension obligations		– 3 128	– 403
Net interest expense/(income)	32, 33	2 680	2 195
Interest paid		– 2 896	– 2 864
Income tax paid		– 9 072	– 13 921
Operating cash flow before changes in working capital		**55 217**	**39 955**
(Increase)/decrease in inventories		– 21 591	– 17 916
(Increase)/decrease in trade receivables		– 2 813	– 25 596
(Increase)/decrease in other receivables, deferred charges and prepaid expenses		– 958	– 6 477
(Decrease)/increase in trade payables		23 821	29 372
(Decrease)/increase in short-term provisions and pension obligations		– 4 383	– 29
(Decrease)/increase in other liabilities and deferred income		5 548	8 474
Cash flow from operating activities		**54 841**	**27 783**

in 1000 EUR	Note	2021	2020
CAPITAL EXPENDITURE			
Tangible assets	7	– 25 020	– 25 631
Intangible assets	8	– 4 532	– 2 130
Other financial assets/Investments in associated companies		– 966	0
Acquisition of Group companies	38	– 1 033	– 21 154
DISINVESTMENTS			
Tangible assets	7, 28, 31	1 573	10 319
Intangible assets	8, 28, 31	15	9
Other financial assets/Investments in associated companies		1 046	154
Disposal of Group companies	39	0	– 1 627
Interest received		474	884
Dividends received	9	243	75
Cash used in investing activities		**– 28 200**	**– 39 101**
Dividends paid (including minority interest)		– 7 051	– 9 134
Change in minority interests		11 432	0
Sale of treasury shares	18	131	183
Issue of financial liabilities	11	56 996	72 474
Repayment of financial liabilities	11	– 71 136	– 33 790
Cash flow from financing activities		**– 9 628**	**29 733**
Translation differences in cash and cash equivalents		5 389	– 1 280
Change in cash and cash equivalents		**22 402**	**17 135**
Cash and cash equivalents as at 1 January	3	77 187	60 052
Cash and cash equivalents as at 31 December	3	99 589	77 187
Change in cash and cash equivalents		**22 402**	**17 135**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2020 AND 2021

in 1000 EUR	Note	Share capital	Treasury shares	Retained earnings	Translation differences	Equity attributable to shareholders of the parent company	Minority interest	**Total equity**
As at 31 December 2019		**852**	**–385**	**218 181**	**–2 365**	**216 283**	**1 063**	**217 346**
Result of the period				**9 044**		**9 044**	**–164**	**8 880**
Dividends paid				–9 052		–9 052	–82	–9 134
Translation differences					–4 839	–4 839	136	–4 703
Currency differences from sale/merger/liquidation recognised directly in equity				–932		–932		–932
Change in treasury shares	18		191	–8		183		183
Change in minority interest	19			–150		–150	–1 059	–1 209
Netting of goodwill against equity	38/41			–21 438		–21 438		–21 438
Adjustment of purchase price liability with impact on shadow statement	20/41			–1 038		–1 038		–1 038
Adjustment of purchase price liability through acquisition of minority interests	20			–159		–159		–159
Employee participation plan				4 551		4 551		4 551
As at 31 December 2020		**852**	**–194**	**198 999**	**–7 204**	**192 453**	**–106**	**192 347**
Result of the period				**31 198**		**31 198**	**–1 086**	**30 112**
Dividends paid				–7 011		–7 011	–40	–7 051
Translation differences					13 518	13 518	204	13 722
Currency differences from sale/merger/liquidation recognised directly in equity				–370		–370		–370
Change in treasury shares	18		117	14		131		131
Change in minority interest	19			–909		–909	12 341	11 432
Netting of goodwill against equity	38/41			–241		–241		–241
Adjustment of purchase price liability with impact on shadow statement	20/41			3 109		3 109	391	3 500
Employee participation plan				663		663		663
As at 31 December 2021		**852**	**–77**	**225 452**	**6 314**	**232 541**	**11 704**	**244 245**

CONSOLIDATED SEGMENT INFORMATION 2021

BY DIVISION

	DewertOkin Technology Group		Industrial Components		Enclosure Systems		Total segments		Reconciliation*		Total Group	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
in 1000 EUR												
Gross sales to third parties	392 802	320 248	226 430	196 596	197 762	170 598	816 994	687 442	0	0	816 994	687 442
Gross sales between divisions	5 556	7 543	2 667	2 800	1 230	662	9 453	11 005	– 9 453	– 11 005	0	0
Revenue reductions											– 7 404	– 5 316
Net revenue											**809 590**	**682 126**
Reversal of impairment losses/(impairment losses) on tangible and intangible assets	0	– 782	9	– 2 427	0	– 135	9	– 3 344	0	0	9	– 3 344
Depreciation on tangible assets and amortisation of intangible assets	– 6 858	– 6 335	– 7 893	– 8 545	– 6 178	– 6 742	– 20 929	– 21 622	– 1 369	– 818	– 22 298	– 22 440
Operating result	**2 055**	**7 221**	**17 700**	**– 509**	**26 684**	**17 059**	**46 439**	**23 771**	**– 2 495**	**– 1 341**	**43 944**	**22 430**
Financial result											– 1 728	– 5 829
Result before tax											**42 216**	**16 601**
Income tax											– 12 104	– 7 721
Result of the period											**30 112**	**8 880**
Purchases of tangible and intangible assets	**17 458**	**13 456**	**5 171**	**8 168**	**5 445**	**4 999**	**28 074**	**26 623**	**1 478**	**1 138**	**29 552**	**27 761**
Segment assets	223 603	211 952	157 269	140 525	112 883	93 486	493 755	445 963	5 344	2 527	499 099	448 490
Cash and cash equivalents									99 589	77 187	99 589	77 187
Other assets									18 309	19 289	18 309	19 289
Total assets	**223 603**	**211 952**	**157 269**	**140 525**	**112 883**	**93 486**	**493 755**	**445 963**	**123 242**	**99 003**	**616 997**	**544 966**
Segment liabilities	127 243	101 408	29 792	25 616	25 005	22 102	182 040	149 126	4 184	2 950	186 224	152 076
Interest-bearing liabilities									180 146	192 612	180 146	192 612
Other liabilities									6 382	7 931	6 382	7 931
Total liabilities	**127 243**	**101 408**	**29 792**	**25 616**	**25 005**	**22 102**	**182 040**	**149 126**	**190 712**	**203 493**	**372 752**	**352 619**
Net assets	**96 360**	**110 544**	**127 477**	**114 909**	**87 878**	**71 384**	**311 715**	**296 837**	**– 67 470**	**– 104 490**	**244 245**	**192 347**
GROSS SALES TO THIRD PARTIES BY REGION												
Europe	71 365	67 290	179 712	148 511	164 192	137 293	415 269	353 094			415 269	353 094
North and South America	47 371	44 106	14 881	15 725	12 842	11 536	75 094	71 367			75 094	71 367
Middle and Far East	274 066	208 852	31 837	32 360	20 728	21 769	326 631	262 981			326 631	262 981
Gross sales to third parties	**392 802**	**320 248**	**226 430**	**196 596**	**197 762**	**170 598**	**816 994**	**687 442**	**0**	**0**	**816 994**	**687 442**

* Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

CONSOLIDATED SEGMENT INFORMATION 2021

NET REVENUE

in 1000 EUR	2021	2020
BY REGION		
Switzerland	24 909	23 270
Germany	238 638	195 096
UK	14 951	12 166
France	19 743	15 753
Italy	12 646	10 189
The Netherlands	14 385	14 000
Rest of Europe	89 997	82 620
North and South America	75 094	71 367
Middle and Far East	326 631	262 981
Gross sales	**816 994**	**687 442**
Revenue reductions	– 7 404	– 5 316
Net revenue	**809 590**	**682 126**
BY PRODUCT GROUP		
Actuators	302 721	257 837
Mechanisms	78 315	60 367
Bewatec	11 766	2 044
DewertOkin Technology Group	**392 802**	**320 248**
Automation Modules	95 860	81 176
Electromechanical Components	57 286	47 978
Rugged Computing	48 210	44 214
Measuring Technology	25 074	23 228
Industrial Components	**226 430**	**196 596**
Industrial enclosures	185 950	159 431
Input systems	11 812	11 167
Enclosure Systems	**197 762**	**170 598**
Gross sales	**816 994**	**687 442**
Revenue reductions	– 7 404	– 5 316
Net revenue	**809 590**	**682 126**

The Phoenix Mecano Group had no customers in 2021 or 2020 whose sales revenue accounted for more than 10 % of Group sales.

LONG-TERM ASSETS (TANGIBLE ASSETS, INTANGIBLE ASSETS AND INVESTMENTS IN ASSOCIATED COMPANIES)

in 1000 EUR	2021	2020
BY REGION		
Switzerland	7 069	6 639
Germany	39 999	43 459
UK	35	65
France	196	248
Italy	172	179
The Netherlands	360	361
Rest of Europe	28 888	30 813
North and South America	5 237	4 643
Middle and Far East	72 289	55 235
Total	**154 245**	**141 642**

PRINCIPLES OF CONSOLIDATION AND VALUATION

ACCOUNTING PRINCIPLES

Phoenix Mecano AG with its subsidiaries (the Phoenix Mecano Group) operates worldwide as a manufacturer and seller of components for industrial customers in the electronics, electrical and mechanical engineering segments as well as of electric drives, fittings and control systems for adjustable ergonomic and healthcare furniture and hospital and healthcare beds. It is a leader in many of its markets. The Group's main activities are presented under Segment Information. Phoenix Mecano AG has its head office in Stein am Rhein, Switzerland, and has been listed on SIX Swiss Exchange since 1988. Its address is Hofwisenstrasse 6, CH-8260 Stein am Rhein.

The 2021 consolidated financial statements of Phoenix Mecano AG were drawn up in accordance with Swiss GAAP FER 31 "Complementary recommendation for listed companies" and comply with Swiss law.

Where subsidiaries have a financial year that differs from the period under consideration, interim statements are drawn up and audited. Thus the consolidated financial statements are based upon audited annual or interim financial statements as at 31 December 2021, which in turn are based on the standard accounting, valuation and organisation criteria that are applied uniformly throughout the Group.

The consolidated financial statements were drawn up in accordance with the principle of historical acquisition and manufacturing cost. As an exception to this, securities, investments < 20 %, receivables and liabilities from derivative financial instruments and contingent purchase price payments from acquisitions are measured at fair value. The consolidated statement of income was drawn up using the total cost method.

APPLICATION OF NEW ACCOUNTING STANDARDS

The Accounting and Reporting Recommendations (Swiss GAAP FER) did not change during the reporting year.

PRESENTATION

Prior-year figures (Securities/Other short-term receivables/Deferred income) have been adjusted accordingly to facilitate comparison with the current financial period.

SCOPE OF CONSOLIDATION

The consolidated financial statements cover all companies over which Phoenix Mecano AG exercises direct or indirect control. Control over a company exists if Phoenix Mecano AG is exposed or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The consolidated Group companies are combined using the full consolidation method. 100 % of all assets and liabilities, as well as income and expenditure, are included in the consolidated financial statements, with the exception of items that are eliminated during consolidation. Minority interests in equity are posted separately as a sub-item under equity. The minority share in the income is shown separately in the consolidated statement of income as a part of the result of the period. Newly acquired participating interests are included in the consolidated financial statements from the date on which control was acquired, while companies disposed of during the reporting year are excluded from the date on which control was relinquished and a gain or loss on disposal is recognised in the financial result.

ASSOCIATED COMPANIES

Investments in associated companies, in which Phoenix Mecano has a voting share of between 20 and 50 % or exerts a significant influence in some other way, as with joint ventures (50 % interests, which Phoenix Mecano controls jointly with partners), are included in the consolidated financial statements in accordance with the equity method. Under the equity method, the fair value of the proportionate net assets at the acquisition date is calculated and recognised together with any goodwill under Investments in associated companies. In the subsequent reporting periods, this value is adjusted by the share of the Phoenix Mecano Group in the additional equity and result generated as well as by any dividends or impairment.

CAPITAL CONSOLIDATION

Capital consolidation at the acquisition date is based on the acquisition method. The purchase price for a company acquisition is determined based on the total of the fair value of the assets given, the liabilities incurred or assumed and the equity instruments issued by the Phoenix Mecano Group. Transaction costs associated with a company acquisition are recognised in the statement of income. In the context of acquisitions, potentially existing intangible assets such as customer base, know-how or brands, which have not yet been capitalised by the acquired company, are not recognised separately upon initial consolidation, but remain as part of goodwill. The goodwill arising from a company acquisition is offset directly against equity. It corresponds to the surplus of the total of the purchase price, the contribution of minority interests in the company being taken over and the market value of the previously held equity interest above the balance of assets, liabilities and contingent liabilities at fair value. In the event of a negative difference, the remaining surplus is offset against equity without affecting income, following a further measurement of the fair value of the net assets taken over. When a part of the business is sold, the goodwill previously offset against equity must be taken into account at the original cost when determining the gain or loss from the sale. The effects of a theoretical capitalisation and amortisation of goodwill are disclosed as a shadow statement in the notes to the consolidated financial statements.

If the Phoenix Mecano Group offers a minority shareholder a put option on the remaining minority interest, resulting in a de facto obligation to buy, this option is recognised as a purchase price liability and measured at fair value. Accordingly, no minority interest is reported in the consolidated financial statements. The same applies to purchase price payments, which are linked to the future business development of the acquired company (earn-out). Such contingent purchase price payments are measured at fair value at the acquisition date and recorded as purchase price liabilities. Subsequent adjustments to such purchase price liabilities are recognised in equity. Deferred purchase price payments are recognised in the statement of cash flow as cash flow from financing activities, provided the payment is made later than three months after the acquisition date. This time limit is also applied to deferred purchase price payments when a Group company is sold.

In the case of step acquisitions, when the Phoenix Mecano Group obtains control, the fair value of the investment is determined at the time of the change of control and any difference between this fair value and the share of equity due to the prior accounting under the equity method is recognised in equity.

CURRENCY CONVERSION

Owing to the great importance of the euro to the Group – a substantial proportion of Phoenix Mecano's sales are made in euro and most of its major subsidiaries are located in the euro area – the consolidated financial statements are presented in euro.

The items contained in a Group company's annual accounts are valued on the basis of the currency of the primary economic environment in which the company operates (functional currency). Foreign currency transactions are converted into the functional currency at the exchange rates prevailing at the time of the transaction. Gains and losses resulting from the transactions themselves and from the conversion of monetary assets and liabilities in foreign currencies at the relevant closing rate are reported in the statement of income.

The results and balance sheet items of all Group companies with a functional currency other than the reporting currency, euro, are converted to euro. The assets and liabilities are converted at the closing rate for each balance sheet date, income and expenses at the average exchange rate for each statement of income. Any resulting translation differences and any translation differences on long-term loans which are considered to be similar in nature to equity are posted in equity as separate item. The statement of cash flow is converted at the average exchange rate.

In the event of loss of control of a Group company, the translation differences remain in equity.

INTERCOMPANY PROFITS

Intercompany profits on inventories and non-current assets arising from trading between companies within the Group are eliminated so as not to affect income. Unrealised losses on transactions within the Group are also eliminated, unless the transaction indicates an impairment of the transferred asset.

SEGMENT INFORMATION

The segment information is presented in accordance with internal reporting and follows the management approach.

The Phoenix Mecano Group is divided into three divisions (operating segments). An operating segment is a component of a company which engages in business activities from which it may earn revenues and incur expenses. Its operating results are reviewed regularly by the chief operating decision maker (CODM) in order to make decisions about resources to be allocated to the segment and assess its performance. Discrete financial information is available for the segment. In view of the planned partial IPO of DewertOkin, the Phoenix Mecano Group reorganised its divisional structure with effect from 1 January 2021 and has rearranged its consolidated segment information as follows:

- **DewertOkin Technology Group** Linear drives and drive systems including fittings technology for industry and electrically adjustable furniture for the home and hospital care sector as well as software for medical applications).

- **Industrial Components** Aluminium profiles, pipe connection systems, conveyor components, linear units, electric cylinders, lifting columns, switches, plug connectors, inductive components, transformers, instrument transformers, backplanes, customised industrial computer systems, power supplies as well as circuit board equipment and the development of customised electronic applications right down to complete subsystems.

- **Enclosure Systems** Enclosures made of aluminium, plastic and glass-fibre reinforced polyester, machine control boards and suspension systems for protecting electronics in an array of industrial applications, including explosion-proof enclosures as well as membrane keypads and touch systems.

These three divisions form the basis for the segment reporting. Where significant, the previous year's figures have been adjusted for comparability.

In addition, central management and financial functions are included under "Reconciliation". Also recorded under Reconciliation are asset and liability items that are not allocated to the divisions (cash and cash equivalents, other assets and financial and other liabilities).

The gross sales of the individual divisions with third parties/associated companies and between the divisions are recognised in accordance with the management approach. Gross sales between individual divisions are invoiced on arms-length terms. They are reconciled to sales revenue (net sales) as recognised in the statement of income.

The result is allocated to the individual divisions to the level of the result before interest and tax. Segment assets include intangible assets, tangible assets, inventories, trade receivables, other receivables (excluding financial and interest receivables) and deferred charges and prepaid expenses of the respective business division. Segment liabilities include provisions, pension obligations, trade payables, other liabilities (excluding interest liabilities) and deferred income per business division. The remaining asset and liability items are recorded under Reconciliation. Measurement in the segment information is based on the same accounting principles as used in the consolidated financial statements prepared in accordance with Swiss GAAP FER, except for the presentation of sales.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, in bank and in postal accounts. They also include fixed deposits with a term not exceeding three months from the balance sheet date.

TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivables are recognised at transaction price. Phoenix Mecano holds receivables with the aim of collecting the contractual cash flows and subsequently measures the receivables at amortised cost (usually equivalent to their nominal value), less value adjustments for bad debts. The value adjustment consists of individual value adjustments for specifically identified items, for which there is objective evidence to suggest that the outstanding amount will not be received in full, as well as flat-rate value adjustments for groups of receivables with a similar risk profile based on expected bad debt losses for the group of receivables in question. The flat-rate value adjustments are based on age structure and historical receivables payment statistics. Where there is sufficient evidence to suggest that a receivable is definitely uncollectable, the receivable is derecognised directly. Subsequent incoming payments on amounts that have been derecognised are reported in income. Accounts payable and receivable between Group companies are offset against one another, provided that the companies are consolidated.

INVENTORIES

Inventories are reported at acquisition or production cost, which must not exceed the net realisable value (lowest value principle). The value of the costs is determined in the same way throughout the Group by means of the weighted average method. The production costs include all material costs, production wages and pro rata manufacturing overheads. Appropriate value adjustments are made for inventory-related risks wherever necessary, based on corresponding analyses of turnover and coverage as well as margin analyses.

TANGIBLE ASSETS

Tangible assets are stated in the balance sheet at the acquisition or manufacturing cost, less accumulated depreciation and where appropriate less additional impairment losses. The straight-line method of depreciation is applied over the depreciation periods specified in the useful life categories used by the whole Group. Where components of larger assets have different useful lives, these are depreciated as separate items. Financing costs on eligible assets are capitalised.

Follow-on investments are only capitalised if the Group is likely to derive future economic benefit as a result and if the costs can be reliably determined.

The useful lives of assets are estimated as follows:

Land (including usage rights)	Unlimited useful life or duration of usage rights
Buildings	35 years
Outside facilities and building installations	10–15 years
Machinery and equipment	4–15 years

LEASED ASSETS

In general, lease contracts are reported as finance leases if:
– at the signing date of the contract, the present value of the lease payments including a possible final payment approximates the acquisition cost or the market value of the leased asset, or
– the expected lease term does not differ substantially from the economic useful life of the leased asset, or
– the leased asset will become the property of the lessee at the end of the lease term, or
– a possible final payment at the end of the lease term is substantially below its respective current market value.

They are measured at the lower of the present value of the minimum lease payments and the fair value. The corresponding financial leasing commitments are posted as liabilities. The lease payments are divided up into interest and repayment sums in accordance with the annuity method. The leased assets are depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are expensed directly to the statement of income on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Capitalised development costs

Development services for new products, which satisfy the criteria for capitalisation specified by Swiss GAAP FER 10 (in particular there must be the prospect of a net income), are capitalised at acquisition or manufacturing cost and written off over the respective useful life, which must not exceed five years. Otherwise, research and development costs are debited directly to the statement of income.

Concessions, licences, similar rights and assets

These other intangible assets are measured at acquisition cost less accumulated depreciation and, where appropriate, additional impairment losses. The depreciation rates are determined on a straight-line basis over the estimated useful life of the asset, which must not exceed 10 years, in accordance with standard Group practice.

IMPAIRMENT LOSSES

Intangible and tangible assets as well as goodwill (in the shadow statement) are consistently checked for impairment if there are indications to suggest that this has taken place. The recoverable amount (the higher of the net selling price less costs to sell and the value in use) of the asset or cash-generating unit is estimated and an adjustment to the previous book value (carrying amount) is made in the statement of income in the case of intangible and tangible assets and in the shadow statement (without affecting income) in the case of goodwill, provided the book value exceeds the recoverable amount. The value in use corresponds to the present value of the expected future cash flows of the respective asset.

Previously recognised impairment losses are reversed (except on goodwill in the shadow statement) if the estimates used to calculate the recoverable amount have altered and the impairment has reduced or disappeared as a result. The increase in book value may not exceed the amount that would have resulted if no impairment loss had been reported for the asset in the preceding years.

The discount rate is determined based on the pre-tax weighted average cost of capital (WACC) of Phoenix Mecano. A differentiation is applied to individual Phoenix Mecano Group cash-generating units only if their risk profile is significantly different.

INVESTMENTS IN ASSOCIATED COMPANIES

Investments shown under this item are valued in accordance with the criteria set out above under Associated companies.

OTHER FINANCIAL ASSETS

Investments under 20 % and long-term loans to associated companies and third parties contained in Other financial assets are initially recognised at acquisition cost, taking account of any reductions in value (impairment) through corresponding devaluations in the statement of income.

A key factor in deciding whether to derecognise a financial asset is the transfer of the associated risks and rewards (known as the "risks and rewards" approach).

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are entered at amortised cost, which generally corresponds to their nominal value.

DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments are measured at fair value in accordance with Swiss GAAP FER 27 and are recognised separately in the Group balance sheet. For instruments traded in an active market, the fair value corresponds to the market value on the balance sheet date; for other instruments, it corresponds to the value determined on the basis of mathematical models. The Group hedges interest and currency risks as part of its risk policy, but these operations are not treated as derivatives for hedging purposes. Changes in the market value of derivative financial instruments used in this way are recognised directly in the financial result as income/expense.

FINANCIAL LIABILITIES

Financial liabilities are stated at their nominal value. Any discrepancy between the disbursement amount and the repayable amount is capitalised and amortised over the term using the effective interest method and recognised in the statement of income. Purchase price liabilities from acquisitions are revalued at the balance sheet date and measured at fair value.

Short-term liabilities are those with a remaining term of less than one year.

A financial liability is derecognised when it is cancelled or when it is discharged either judicially or by the creditor.

PROVISIONS

Provisions are formed if a past event has resulted in a present legal or actual obligation and there is likely to be an outflow of funds which can be reliably determined. They also include anticipated warranty claims arising from service provision.

Other long-term employee benefits

Corresponding provisions are made for existing obligations based on statutory retirement pay in Italy ("Trattamento Fine Rapporto"), agreements providing for part-time work for older employees in Germany and service anniversaries. These provisions are determined using the projected unit credit method. Actuarial gains and losses are recognised as income/expense in the period in which they occur.

Employee participation plans

In connection with the planned partial IPO of the DewertOkin product area in China, an employee participation plan for key employees in this product area was initiated at the end of 2020. The plan is tied to the performance of the employees concerned. The qualifying employees receive shares in DewertOkin Technology Group Co., Ltd. (CN). These shares are subject to a three-year lock-up period after the IPO. Differences between the issue price and the fair value of the shares at the time of allocation are charged to personnel expenses and recognised in the statement of income. Recognition takes place over the vesting period, if such a period has been agreed, otherwise immediately upon allocation. Cash settlement is not provided for.

PENSION OBLIGATIONS

The Phoenix Mecano Group has a number of pension plans worldwide. These plans are normally financed through contributions from employees and the relevant subsidiaries.

The economic impact of employee pension plans is assessed annually. Any surpluses or deficits are determined on the basis of the financial statements of the respective pension institutions, which are drawn up based on Swiss GAAP FER 26 (Swiss plans) or accepted methods in other countries (non-Swiss plans). In the case of Swiss plans, an economic benefit is recognised as an asset if it is permitted and intended to use the pension institution's surplus for the future pension expense of the company. Where freely available employer contribution reserves exist, these are also recognised as assets. An economic obligation is recognised as a liability if the conditions for establishing a provision are met. Changes to the economic benefit or economic obligation, as well as the contributions for the period, are recognised in the statement of income under Personnel expenses.

EQUITY

Equity is divided up into Phoenix Mecano AG's share capital (consisting of bearer shares), treasury shares, retained earnings, translation differences and minority interest.

Treasury shares are deducted from equity and posted as a separate item within equity. Gains and losses on treasury shares are posted without affecting operating income.

Dividends are posted in the consolidated financial statements in the period in which they were agreed upon by the Shareholders' General Meeting of Phoenix Mecano AG.

REVENUE RECOGNITION

Sales are measured at the amount to which Phoenix Mecano expects to be entitled. They include the sale of goods and, to a limited extent, services in the course of the Group's ordinary activities. Gross and net sales are recognised net of value added tax and credit notes, as well as of discounts and rebates in the case of net sales. Sales of products and services are recognised following the transfer of control to the customer (usually upon the transfer of significant risks and rewards). This is determined by the specific contract terms (e.g. Incoterms). Phoenix Mecano normally fulfils its performance obligation upon delivery.

Value adjustments on recognised receivables are not recognised as adjustments to sales but as other operating expenses.

Interest income is recognised on an accrual basis. Dividend income from securities is recorded at the time of payment.

There are no long-term manufacturing orders which are recorded in accordance with the progress of performance.

GOVERNMENT SUBSIDIES

Investment incentives are deferred and systematically reported in income in accordance with the straight-line method over the useful life of the supported asset. Allowances for research and development accordingly reduce the costs incurred in this area.

INCOME TAX

Income tax covers both current and deferred income taxes. It is reflected in the statement of income, with the exception of income taxes on transactions reported directly in equity. In such cases, the corresponding income taxes are also recognised directly in equity.

Current income taxes include expected tax owed on the taxable result, calculated according to the tax rates prevailing on the balance sheet date and adjustments to tax liabilities or credits from previous years.

Deferred taxes are calculated on temporary differences between the values in the tax accounts and the consolidated financial statements in accordance with the balance sheet liability method. No deferred taxes are taken into account for valuation differences in goodwill, investments in subsidiaries and purchase price liabilities from acquisitions if these differences are unlikely to cancel each other out in the foreseeable future. Calculation of the deferred taxes takes into account when and how the realisation or repayment of the relevant assets and liabilities is likely to take place. This calculation uses the tax rates prevailing or announced on the balance sheet date.

Future tax savings on the basis of tax losses carried forward and deductible temporary differences are only capitalised if their realisation seems certain. For this to be the case, consistently positive results must have been achieved and be expected to continue in the foreseeable future. If there are taxable temporary differences and offsettable tax losses carried forward at the same company, the two amounts are offset against one another.

Non-reclaimable withholding taxes on distributions on the profits of foreign subsidiaries are only recorded as a liability if such distributions are budgeted.

STATEMENT OF CASH FLOW

Cash flow from operating activities is calculated using the indirect method. The funds consist of cash and cash equivalents.

KEY FIGURES NOT DEFINED BY SWISS GAAP FER (ALTERNATIVE PERFORMANCE INDICATORS)

The operating result corresponds to the earnings before taxes plus financial result and share in the profit/loss of associated companies.

The operating cash flow corresponds to the operating result plus depreciation on tangible assets, amortisation of intangible assets and impairment losses or reversal of impairment losses on tangible and intangible assets (see note 36).

The free cash flow comprises the cash flow from operating activities and the cash flow from investments and disinvestments in tangible and intangible assets (see note 37).

ASSUMPTIONS AND ESTIMATIONS

Accounting requires assumptions and estimations to be made which influence the amount of the accounted assets and liabilities, the amount of contingent liabilities and contingent claims as at the balance sheet date and also expenses and income from the reporting periods. The assumptions and estimations are based on historical knowledge and experience and on the information available when the balance sheet is being drawn up. They are considered accurate under the circumstances. If estimations and assumptions made by the management based on the best knowledge available at the time of balance sheet preparation differ from the actual circumstances subsequently observed, the original estimations and assumptions are adapted accordingly in the reporting year in which the circumstances altered.

The most important assumptions and estimations are set out below:

Inventories

An international supply chain within the Group (including as a result of production in cost-efficient locations and processing service in the sales companies) and the high priority accorded to short delivery times for customers require an adequate supply inventory and result in comparatively low stock turnaround figures. Some electrotechnical components can only be stored for a limited amount of time and some inventory items are customised, leading to increased storage risks. On the basis of appropriate inventory turnover and coverage analyses, assessments of recoverability and impairment are carried out. For the book values of inventories, see note 6.

Tangible assets, intangible assets and goodwill (shadow statement)

These are tested for impairment if indicators exist. To ascertain whether impairment applies, the anticipated future cash flow generated by the use or the potential disposal of the assets in question is estimated. The latter is associated with a wide range of uncertainties, especially in the case of company property in unfavourable locations or product-specific manufacturing plants and tools as well as intangible assets. Estimates are also necessary when determining the discount rate to be applied. For the book values of tangible and intangible assets, see notes 7 and 8.

Financial liabilities

To determine the purchase price liabilities from acquisitions, estimates of the medium-term business development of the company concerned must be performed, with all the uncertainties that these entail.

Provisions

Guarantee provisions are calculated based on estimates of potential future guarantees and on past experience. There is a higher guarantee risk for linear drives used in the hospital and care sector. For the book values of provisions, see note 13.

Income tax

Extensive estimations based on the interpretation of existing tax legislation and regulations are required to determine receivables and liabilities from current and deferred income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2021

1 CURRENCY EXCHANGE RATES

	Balance sheet		Statements of income and cash flow	
Euro for	**2021**	**2020**	**2021**	**2020**
1 CHF	0.968	0.921	0.925	0.934
1 GBP	1.190	1.107	1.163	1.126
1 USD	0.883	0.814	0.846	0.878
100 HUF	0.271	0.274	0.279	0.285
1 RON	0.202	0.205	0.203	0.207
1 TND	0.307	0.304	0.305	0.313
1 CNY	0.139	0.125	0.131	0.127
1 INR	0.012	0.011	0.011	0.012

2 SCOPE OF CONSOLIDATION

In 2021 and 2020 the scope of consolidation changed as follows:

Date	Company	Change	Division
2021			
23.11.21	ismet GmbH	Merger with Redur GmbH + Co. KG	Industrial Components
19.10.21	Bewatec (Shanghai) Medical Device Co., Ltd.	Foundation	DewertOkin Technology Group
14.09.21	Bewatec (Zhejiang) Medical Equipment Co., Ltd.	Foundation	DewertOkin Technology Group
17.06.21	BEWATEC ConnectedCare GmbH	Merger with BEWATEC Kommunikationstechnik GmbH (subsequently renamed BEWATEC ConnectedCare GmbH)	DewertOkin Technology Group
16.06.21	DewertOkin Services GmbH	Merger with DewertOkin GmbH	DewertOkin Technology Group
01.06.21	Phoenix Mecano AB (formerly X2 Technology AB)	Acquisition	Industrial Components
20.04.21	Phoenix Mecano Trading AG	Merger with Phoenix Mecano AG	Reconciliation
24.03.21	Phoenix Mecano Components (Taicang) Co., Ltd.	Liquidation	Industrial Components
2020			
02.11.20	BEWATEC Kommunikationstechnik GmbH	Acquisition	DewertOkin Technology Group (formerly Mechanical Components)
02.11.20	Bewatec ConnectedCare GmbH	Acquisition	DewertOkin Technology Group (formerly Mechanical Components)
31.10.20	Phoenix Mecano Australia Pty. Ltd.	Sales	DewertOkin Technology Group (formerly Mechanical Components)
01.10.20	DewertOkin KFT	Spin-off	DewertOkin Technology Group (formerly Mechanical Components)
31.08.20	Phoenix Mecano Mazaka A.S.	Sales	DewertOkin Technology Group (formerly Mechanical Components)
06.08.20	DewertOkin AG	Foundation	DewertOkin Technology Group (formerly Mechanical Components)
28.07.20	Phoenix Mecano Technologies AG	Merger with Phoenix Mecano AG	Other
21.07.20	CRE Rösler Electronic GmbH	Merger with Rose Systemtechnik GmbH	Enclosure Systems (formerly Enclosures)
27.05.20	DewertOkin Services GmbH	Foundation	DewertOkin Technology Group (formerly Mechanical Components)
05.05.20	Okin Vietnam Company Ltd.	Foundation	DewertOkin Technology Group (formerly Mechanical Components)
02.04.20	Hartmann Codier GmbH	Merger with PTR HARTMANN GmbH	Industrial Components (formerly ELCOM/EMS)
03.03.20	Integrated Furniture Technologies Ltd.	Liquidation	DewertOkin Technology Group (formerly Mechanical Components)
28.01.20	RK Antriebs- und Handhabungs-Technik GmbH	Foundation	Industrial Components (formerly Mechanical Components)

The following companies were fully consolidated as at 31 December 2021:

FULLY CONSOLIDATED COMPANIES

Company	Head office	Activity	Currency	Registered capital in 1 000	2021 Stake in %	2020 Stake in %
Phoenix Mecano AG	Stein am Rhein, Switzerland	Finance	CHF	961	n/a	n/a
Phoenix Mecano Management AG	Kloten, Switzerland	Finance	CHF	50	100	100
Phoenix Mecano Komponenten AG	Stein am Rhein, Switzerland	Production/Sales	CHF	2 000	100	100
DewertOkin AG	Stein am Rhein, Switzerland	Finance	CHF	500	89	100
Rose Systemtechnik GmbH	Porta Westfalica, Germany	Production/Sales	EUR	1 053	100	100
Bopla Gehäuse Systeme GmbH	Bünde, Germany	Production/Sales	EUR	750	100	100
Kundisch GmbH + Co. KG	Villingen-Schwenningen, Germany	Production/Sales	EUR	300	100	100
HPC Sekure GmbH	Wessling, Germany	Sales	EUR	500	100	100
PTR HARTMANN GmbH	Werne, Germany	Production/Sales	EUR	400	100	100
Redur GmbH + Co. KG	Niederzier, Germany	Production/Sales	EUR	300	100	100
Hartmann Electronic GmbH	Stuttgart, Germany	Production/Sales	EUR	222	100	100
W-IE-NE-R Power Electronics GmbH	Burscheid, Germany	Production/Sales	EUR	51	100	100
Phoenix Mecano Digital Elektronik GmbH	Wutha-Farnroda, Germany	Production/Sales	EUR	350	100	100
RK Rose + Krieger GmbH	Minden, Germany	Production/Sales	EUR	496	100	100
RK System- & Lineartechnik GmbH	Salem-Neufrach, Germany	Production/Sales	EUR	250	100	100
RK Schmidt Systemtechnik GmbH	St. Wendel, Germany	Production/Sales	EUR	500	100	100
RK Antriebs- und Handhabungs-Technik GmbH	Bienenbüttel, Germany	Production/Sales	EUR	250	100	100
DewertOkin GmbH	Kirchlengern, Germany	Production/Sales	EUR	1 000	89	100
BEWATEC Connected Care GmbH	Telgte, Germany	Production/Sales/Development	EUR	98	89	100
IFINA Beteiligungsgesellschaft mbH	Porta Westfalica, Germany	Finance	EUR	4 000	100	100
Götz Udo Hartmann GmbH	Niederzier, Germany	Finance	EUR	26	100	100
Kundisch Beteiligungs-GmbH	Villingen-Schwenningen, Germany	Finance	EUR	26	100	100
Phoenix Mecano S.à.r.l.	Fontenay-sous-Bois, Cedex, France	Sales	EUR	620	100	100
Phoenix Mecano Ltd.	Aylesbury, UK	Sales	GBP	300	100	100
DewertOkin AB	Växjö, Sweden	Sales	SEK	100	89	100
Phoenix Mecano AB (formerly X2 Technology AB)	Växjö, Sweden	Sales	SEK	290	100	–
Phoenix Mecano ApS	Sønderborg, Denmark	Sales	DKK	125	100	100
Phoenix Mecano S.r.l.	Modena, Italy	Sales	EUR	300	100	100
Sistemas Phoenix Mecano España S.A.	Zaragoza, Spain	Sales	EUR	60	90	90
Phoenix Mecano B.V.	Doetinchem, the Netherlands	Sales	EUR	1 000	100	100
PM Special Measuring Systems B.V.	Enschede, the Netherlands	Production/Sales	EUR	18	100	100
Phoenix Mecano NV	Deinze, Belgium	Sales	EUR	100	100	100
Phoenix Mecano Kecskemét KFT	Kecskemét, Hungary	Production/Sales	EUR	40 000	100	100

FULLY CONSOLIDATED COMPANIES

Company	Head office	Activity	Currency	Registered capital in 1 000	2021 Stake in %	2020 Stake in %
DewertOkin KFT	Kecskemét, Hungary	Production/Sales	EUR	20 000	89	100
DewertOkin Services KFT	Kecskemét, Hungary	Development	EUR	502	89	100
Phoenix Mecano Plastic S.r.l.	Sibiu, Romania	Production	EUR	750	100	100
ismet transformatory s.r.o.	Beharovice, Czech Republic	Production	CZK	200	100	100
Phoenix Mecano OOO	Moscow, Russia	Sales	RUB	21 300	100	100
Phoenix Mecano Inc.	Frederick, USA	Production/Sales	USD	10 000	100	100
W-IE-NE-R Power Elecronics Corp.	Springfield, USA	Sales	USD	100	100	100
OKIN America Inc.	Shannon, USA	Production/Sales	USD	10	89	100
Orion Technologies LLC	Orlando, USA	Production/Sales	USD	33	90	90
Tefelen LLC	Frederick, USA	Production/Sales	USD	300	51	51
DewertOkin do Brasil Ltda.	São Paulo, Brazil	Sales	BRL	10 176	89	100
Phoenix Mecano Holding Ltda.	São Paulo, Brazil	Finance	BRL	1 062	100	100
DewertOkin Latin America S.A.	Montevideo, Uruguay	Sales	UYU	200	89	100
Phoenix Mecano S. E. Asia Pte Ltd.	Singapore	Sales	SGD	1 000	100	100
Phoenix Mecano Korea Co. Ltd.	Busan, South Korea	Sales	KRW	370 000	100	100
Phoenix Mecano (India) Pvt. Ltd.	Pune, India	Production/Sales	INR	299 452	100	100
Phoenix Mecano Saudi Arabia LLC	Dammam, Saudi Arabia	Sales	SAR	3 000	100	100
Mecano Components (Shanghai) Co., Ltd.	Shanghai, China	Production/Sales	USD	3 925	100	100
PTR HARTMANN (Shaoguan) Co., Ltd.	Shaoguan City, China	Production/Sales	CNY	70 000	100	100
DewertOkin Technology Group Co., Ltd.	Jiaxing, China	Production/Sales	CNY	712 589	89	100
Haining My Home Mechanism Co. Ltd.	Haining, China	Production/Sales	CNY	3 100	89	100
Bewatec (Zhejiang) Medical Equipment Co., Ltd.	Jiaxing, China	Production/Development	CNY	3 000	89	–
Bewatec (Shanghai) Medical Device Co., Ltd.	Shanghai, China	Sales/Development	CNY	1 000	89	–
Phoenix Mecano Hong Kong Ltd.	Hong Kong, China	Finance/Sales	EUR	69 051	100	100
Bond Tact Industrial Limited	Hong Kong, China	Finance	HKD	500	100	100
Bond Tact Hardware (Dongguan) Company Limited	Dongguan, China	Production/Sales	HKD	58 000	100	100
Okin Vietnam Company Ltd.	Binh Duong Province, Vietnam	Production	USD	500	89	100
Rose Systemtechnik Middle East (FZE)	Sharjah, U.A.E.	Sales	AED	150	100	100
Phoenix Mecano Hartu S.à.r.l. in liquidation	Ben Arous, Tunisia	Production	TND	2 500	100	100
Phoenix Mecano ELCOM S.à.r.l.	Zaghouan, Tunisia	Production	TND	5 000	100	100
Phoenix Mecano Digital Tunisie S.à.r.l.	Borj-Cedria, Tunisia	Production	TND	100	100	100
Phoenix Mecano Maroc S.à.r.l. in liquidation	Tétouan, Morocco	Production	MAD	34 000	100	100

The stake indicated takes into account direct and indirect minority interests.

3 CASH AND CASH EQUIVALENTS

in 1000 EUR	2021	2020
MEANS OF PAYMENT		
Cash at bank and in postal accounts	92 795	66 686
Cash on hand	62	118
Total	**92 857**	**66 804**
OTHER CASH AND CASH EQUIVALENTS		
Fixed-term deposits (up to 3 months)	6 732	10 383
Balance sheet value	**99 589**	**77 187**
INTEREST RATES IN %		
CHF	0.0	0.0
EUR	0.0	0.0
USD	0.1	0.0
HUF	0.0	0.0
CNY	0.3	0.4

No losses are expected on cash and cash equivalents, so no value adjustments have been made.

4 TRADE RECEIVABLES

in 1000 EUR	2021	2020
Trade receivables	153 218	136 545
Receivables due from associated companies	297	226
Value adjustments	–6 404	–2 968
Balance sheet value	**147 111**	**133 803**
REGIONAL BREAKDOWN OF TRADE RECEIVABLES		
Switzerland	2 291	2 029
Germany	17 154	12 906
UK	1 689	1 442
France	4 145	2 932
Italy	2 858	2 338
The Netherlands	1 646	1 782
Rest of Europe	10 274	10 257
North and South America	17 317	14 448
Middle and Far East	89 737	85 669
Balance sheet value	**147 111**	**133 803**

in 1000 EUR	2021	2020
UPDATE OF VALUE ADJUSTMENT ON TRADE RECEIVABLES		
Individual value adjustments		
As at 1 January	506	847
Change	–9	–341
As at 31 December	497	506
Flat-rate value adjustments		
As at 1 January	2 462	3 341
Change	3 445	–879
As at 31 December	5 907	2 462
Total	**6 404**	**2 968**

Trade receivables totalling EUR 0.3 million (previous year: EUR 0.7 million) have been derecognised.

in 1000 EUR	2021 Gross	2021 Value adjustment	2020 Gross	2020 Value adjustment
AGING ANALYSIS OF TRADE RECEIVABLES NOT SUBJECT TO INDIVIDUAL VALUE ADJUSTMENTS				
Gross values	153 515		136 771	
Gross value of receivables subject to individual value adjustments	-630		–516	
Total	**152 885**		**136 255**	
of which:				
Not due	118 259	292	111 107	292
Overdue for 1–30 days	21 421	154	17 665	170
Overdue for 31–60 days	4 693	203	4 078	119
Overdue for 61–90 days	1 588	197	1 137	114
Overdue for 91–180 days	2 657	1 075	958	466
Overdue for more than 180 days	4 267	3 986	1 310	1 301
Total	**152 885**	**5 907**	**136 255**	**2 462**

Impairment is determined on the basis of expected credit losses corresponding to the present value of the defaults expected over the anticipated remaining life of the financial assets. As well as historical customer default rates, Phoenix Mecano also draws on forward-looking information and classifies groups of receivables by maturity and region. The reporting year saw an increase in overdue receivables in Asia. Receivables management in this region is being enhanced. Receivables not due include receivables of EUR 6.6 million (previous year: EUR 5.8 million) from government procurement programmes in the United States with pay-when-paid terms. The change from the previous year is primarily currency-related.

The individual value-adjusted receivables relate mainly to debtors who are involved in bankruptcy proceedings or have been directed to a collection agency.

The largest single receivable from a customer as at the balance sheet date of 31 December 2021 was EUR 20.8 million (previous year: EUR 18.9 million), of which 98 % was not due.

The average payment term was 69 days (previous year: 66 days).

5 OTHER RECEIVABLES

in 1000 EUR	2021	2020
Tax receivables from VAT and other taxes	6 637	5 654
Current portion of long-term financial assets	237	727
Financial receivables	1 400	34
Advance payments for inventories	5 816	6 575
Other	4 128	3 984
Balance sheet value	**18 218**	**16 974**

The proceeds from the sale of a building in Tunisia in the previous year have not yet been approved for free disposal by the Central Bank of Tunisia, so the corresponding bank credit balance of EUR 1.2 million was classified as a financial receivable.

6 INVENTORIES

in 1000 EUR	2021	2020
Raw and ancillary materials	116 271	100 253
Work in progress	16 211	10 509
Finished goods and merchandise for resale	73 152	69 526
Value adjustments	–24 503	–23 177
Balance sheet value	**181 131**	**157 111**

The value adjustments were determined based on marketability and range of the stocks, and taking into account the principle of loss-free valuation. Changes in value adjustments and losses on inventories totalling EUR 4.1 million (previous year: EUR 6.5 million) are included in the statement of income under Other operating expenses (see note 31).

Other than the usual reservations of title applied in typical business operations, no stocks had liens on them as at 31 December 2021 and 2020.

7 TANGIBLE ASSETS

in 1000 EUR	Note	Investment properties	Land and buildings	Machinery and equipment	Construction in progress	Total
Acquisition costs 31 December 2019		**125**	**143 232**	**248 936**	**7 898**	**400 191**
Additions of companies included in consolidation	38		410	328		738
Disposals of companies included in consolidation	39			–697		–697
Translation differences		–36	–2 164	–2 930	–310	–5 440
Additions			7 681	12 120	5 830	25 631
Disposals			–10 705	–12 211	–411	–23 327
Reclassification		–89	7 886	793	–8 590	0
Acquisition costs 31 December 2020		**0**	**146 340**	**246 339**	**4 417**	**397 096**
Accumulated depreciation 31 December 2019		**51**	**71 714**	**191 985**	**0**	**263 750**
Disposals of companies included in consolidation	39			–440		–440
Translation differences		–15	–681	–1 775		–2 471
Depreciation			4 301	15 213		19 514
Impairment losses			2 923	436		3 359
Reversal of impairment losses			–739	–97		–836
Disposals			–4 856	–10 480		–15 336
Reclassification		–36	36	0		0
Accumulated depreciation 31 December 2020		**0**	**72 698**	**194 842**	**0**	**267 540**
Net values 1 January 2020		**74**	**71 518**	**56 951**	**7 898**	**136 441**
Net values 31 December 2020		**0**	**73 642**	**51 497**	**4 417**	**129 556**

in 1000 EUR	Note	Investment properties	Land and buildings	Machinery and equipment	Construction in progress	Total
Acquisition costs 31 December 2020		**0**	**146 340**	**246 339**	**4 417**	**397 096**
Additions of companies included in consolidation	38			20		20
Translation differences			4 639	5 077	912	10 628
Additions			675	12 766	11 579	25 020
Disposals			–792	–29 345	–675	–30 812
Reclassification			354	1 118	–1 472	0
Acquisition costs 31 December 2021		**0**	**151 216**	**235 975**	**14 761**	**401 952**
Accumulated depreciation 31 December 2020		**0**	**72 698**	**194 842**	**0**	**267 540**
Translation differences			1 375	2 854		4 229
Depreciation			4 038	14 842		18 880
Disposals			–630	–28 749		–29 379
Reclassification			69	–69		0
Accumulated depreciation 31 December 2021		**0**	**77 550**	**183 720**	**0**	**261 270**
Net values 31 December 2021		**0**	**73 666**	**52 255**	**14 761**	**140 682**

Land and buildings is divided into developed and undeveloped land and land use rights in China with a book value of EUR 18.6 million (previous year: EUR 17.8 million) and factory and administration buildings with a balance sheet value of EUR 55.1 million (previous year: EUR 55.8 million). The industrial complex under construction in Jiaxing (China) is recognised under Construction in progress.

The fire insurance value of the tangible assets amounted to EUR 407.4 million on the balance sheet date, compared with EUR 394.0 million the previous year.

Land and buildings with a book value of EUR 6.8 million (previous year: EUR 6.6 million) were mortgaged to cover debts. The amount of the corresponding credit taken up totalled EUR 4.8 million (previous year: EUR 4.7 million).

Tangible assets with a balance sheet value of EUR 0.005 million (previous year: EUR 0.0 million) were subject to reservation of title on the balance sheet date.

No write-downs were performed in the reporting year within the framework of the impairment tests on cash-generating units (CGUs) and assets at the balance sheet date (previous year: write-downs on land and buildings, machinery and equipment). For these write-downs in the previous year, the present value (value in use) was used as a basis for the valuation, as well as sale value estimates by third parties in the case of the land and buildings.

The breakdown by division of impairment losses and reversals of impairment losses is clear from the segment information provided. In the statement of income, impairment losses on tangible assets of EUR 0.0 million (previous year: EUR 3.4 million) are included under Impairment losses on intangible and tangible assets. Reversals of impairment losses amounting to EUR 0.8 million were made in the previous year.

The reclassification of the investment property in the previous year is due to the property being used entirely in-house from 2020.

8 INTANGIBLE ASSETS

in 1000 EUR	Note	Development costs	Concessions, licences, similar rights and assets	Development projects in progress	Total
Acquisition costs 31 December 2019		**14 293**	**34 458**	**1 248**	**49 999**
Additions of companies included in consolidation	38	4 139	233		4 372
Disposals of companies included in consolidation	39		– 26		– 26
Translation differences		– 49	– 428	– 2	– 479
Additions		520	1 555	55	2 130
Disposals		– 518	– 660	– 6	– 1 184
Reclassification		1 049	17	– 1 066	0
Acquisition costs 31 December 2020		**19 434**	**35 149**	**229**	**54 812**
Accumulated amortisation 31 December 2019		**12 741**	**30 334**	**0**	**43 075**
Disposals of companies included in consolidation	39		– 22		– 22
Translation differences		– 47	– 378		– 425
Amortisation		793	2 133		2 926
Impairment losses		726	95		821
Reversal of impairment losses					0
Disposals		– 517	– 650		– 1 167
Reclassification					0
Accumulated amortisation 31 December 2020		**13 696**	**31 512**	**0**	**45 208**
Net values 1 January 2020		**1 552**	**4 124**	**1 248**	**6 924**
Net values 31 December 2020		**5 738**	**3 637**	**229**	**9 604**

in 1000 EUR	Note	Development costs	Concessions, licences, similar rights and assets	Development projects in progress	Total
Acquisition costs 31 December 2020		**19 434**	**35 149**	**229**	**54 812**
Additions of companies included in consolidation	38	13			13
Translation differences		110	1 175		1 285
Additions		2 415	1 816	301	4 532
Disposals		– 3 488	– 1 122	– 174	– 4 784
Reclassification			118	– 118	0
Acquisition costs 31 December 2021		**18 484**	**37 136**	**238**	**55 858**
Accumulated amortisation 31 December 2020		**13 696**	**31 512**	**0**	**45 208**
Translation differences		56	1 049		1 105
Amortisation		1 661	1 586	171	3 418
Reversal of impairment losses		– 9			– 9
Disposals		– 3 488	– 1 111	– 171	– 4 770
Accumulated amortisation 31 December 2021		**11 916**	**33 036**	**0**	**44 952**
Net values 31 December 2021		**6 568**	**4 100**	**238**	**10 906**

Concessions, licences, similar rights and assets includes primarily software licences and distribution rights and other intangible rights and assets paid for.

No intangible assets were subject to reservation of title on the balance sheet date (previous year: EUR 0.003 million).

Within the framework of the impairment tests on CGUs and assets at the balance sheet date, write-downs of EUR 0.7 million were performed in the previous year on capitalised development projects, because these business activities had not developed as originally planned. There was also a write-down on software of EUR 0.1 million in the previous year. A pre-tax discount rate (WACC) of 10.5 % (previous year: 10.0 %) was applied to determine the present value (value in use) for impairment tests.

The breakdown by division of impairment losses and reversals of impairment losses is clear from the segment information provided. In the statement of income, impairment losses/reversals of impairment losses on intangible assets in the reporting year of EUR 0.0 million (previous year: EUR 0.8 million) are included under Impairment losses/Reversal of impairment losses on tangible and intangible assets.

9 INVESTMENTS IN ASSOCIATED COMPANIES

in 1000 EUR	Stake in %	2021	2020
UPDATE OF INVESTMENTS IN ASSOCIATED COMPANIES			
AVS Phoenix Mecano GmbH, Vienna (A)	50		
Phoenix Mecano Australia Pty. Ltd.	29.2		
BEWATEC Technologies Co., Ltd.	49		
As at 1 January		**2 482**	**522**
Additions		0	1 658
Result		273	380
Dividend payout		– 243	– 75
Translation differences		145	– 3
As at 31 December		**2 657**	**2 482**

Phoenix Mecano products are sold in Austria through the joint venture AVS Phoenix Mecano GmbH (A) and in Australia through Phoenix Mecano Australia Pty. Ltd. The procurement and assembly of products for BEWATEC Connected Care GmbH takes place through the joint venture BEWATEC Technologies Co. Ltd.

On 31 October 2020, the Phoenix Mecano Group sold its majority stake in Phoenix Mecano Australia Pty. Ltd. with a corresponding loss of control. The Phoenix Mecano Group has retained a 29.2 % stake in Phoenix Mecano Australia Pty. Ltd., which is recognised as an investment in associated companies (see note 39). In connection with this transaction, a contractually agreed residual purchase price payment of EUR 0.5 million (previous year: EUR 0.6 million) is outstanding (see note 10).

On 2 November 2020, the Phoenix Mecano Group acquired 49 % of the shares in BEWATEC Technologies Co., Ltd. (CN) in connection with the acquisition of BEWATEC Connected Care GmbH (see note 38).

Total purchases of goods from Group companies amounted to EUR 6.6 million (previous year: EUR 3.5 million) for all investments in associated companies and sales of goods to Group companies totalled EUR 1.4 million (previous year: EUR 1.7 million).

The result of the period for all investments in associated companies in 2021 totalled EUR + 0.7 million (previous year: EUR + 0.4 million).

10 OTHER FINANCIAL ASSETS

in 1000 EUR	Note	2021	2020
Other loans		517	1 098
Investments (under 20 %)		926	12
Balance sheet value		**1 443**	**1 110**
BY CURRENCY			
EUR		25	282
CNY		911	0
AUD		457	649
TRY		50	179
Balance sheet value		**1 443**	**1 110**
BY MATURITY			
in 2 years		56	372
in 3 years		4	77
in 4 years		0	0
in 5 years		457	0
after 5 years		0	649
none		926	12
Balance sheet value		**1 443**	**1 110**

Receivables from residual purchase price payments reported under Other loans relate to the sale of Phoenix Mecano Mazaka AS (Turkey) and the sale of the majority stake in Phoenix Mecano Australia Pty. Ltd. in 2020. Some of these are long-term receivables (see note 39).

The EUR 0.9 million increase in investments under 20 % in the reporting year is due to the employee participation plan launched in late 2020 for around 60 key employees, in connection with a planned partial IPO of the DewertOkin Technology Group division in China. In this context, two limited liability partnerships were established in China in 2021, through which the employees of DewertOkin Technology Group Co., Ltd. (China) were able to exercise their participation. The Phoenix Mecano Group also holds a stake of less than 20 % in each of these entities.

11 FINANCIAL LIABILITIES

in 1000 EUR	2021 Short-term	2021 Long-term	2021 Total	2020 Short-term	2020 Long-term	2020 Total
Liabilities to financial institutions	56 089	11 038	67 127	89 031	16 864	105 895
Promissory note loans	35 000	72 500	107 500		75 989	75 989
Purchase price liabilities from acquisitions	1 500	2 670	4 170	2 778	7 180	9 958
Other financial liabilities	1 260	89	1 349	228	542	770
Balance sheet value	**93 849**	**86 297**	**180 146**	**92 037**	**100 575**	**192 612**
BY MATURITY						
in < 1 year	93 849		93 849	92 037		92 037
in 1 – 2 years		5 964	5 964		55 201	55 201
in 2 – 3 years		31 063	31 063		5 316	5 316
in 3 – 4 years		2 202	2 202		32 562	32 562
in 4 – 5 years		45 616	45 616		4 167	4 167
in > 5 years		1 452	1 452		3 329	3 329
Balance sheet value	**93 849**	**86 297**	**180 146**	**92 037**	**100 575**	**192 612**

	2021 in 1 000 EUR	2021 in %	2021 Interest rate in %	2020 in 1 000 EUR	2020 in %	2020 Interest rate in %
BY CURRENCY						
CHF	6 293	3.5	1.2	9 673	5.0	1.1
EUR	133 601	74.1	1.1	120 993	62.8	0.8
USD	27 681	15.4	1.9	35 829	18.6	1.5
CNY	12 542	7.0	4.3	25 568	13.3	4.3
Other currencies	29	0.0	0.0	549	0.3	6.0
Balance sheet value	**180 146**	**100**	**–**	**192 612**	**100**	**–**

RECONCILIATION OF FINANCIAL LIABILITIES 2021

in 1000 EUR	**2020**	**Cash items**	Non-cash items: Change in scope of consolidation	Non-cash items: Currency differences	Non-cash items: Change in fair value	**2021**
Long-term liabilities to financial institutions	16 864	– 8 514		2 688	–	11 038
Short-term liabilities to financial institutions	89 031	– 34 441	251	1 605	– 357	56 089
Promissory note loans	75 989	31 079		432		107 500
Purchase price liabilities from acquisitions	9 958	– 2 778	494	– 4	– 3 500	4 170
Other financial liabilities	770	514		65		1 349
Balance sheet value	**192 612**	**– 14 140**	**745**	**4 786**	**– 3 857**	**180 146**

RECONCILIATION OF FINANCIAL LIABILITIES 2020

in 1000 EUR	**2019**	**Cash items**	Non-cash items: Change in scope of consolidation	Non-cash items: Currency differences	Non-cash items: Change in fair value	**2020**
Long-term liabilities to financial institutions	14 910	3 702		– 1 748		16 864
Short-term liabilities to financial institutions	32 458	56 264	–	309		89 031
Promissory note loans	77 015			– 1 026		75 989
Purchase price liabilities from acquisitions	20 507	– 18 619	6 584	289	1 197	9 958
Other financial liabilities	3 300	– 2 663		133		770
Balance sheet value	**148 190**	**38 684**	**6 584**	**– 2 043**	**1 197**	**192 612**

The long-term liabilities to financial institutions are all in principle fixed rate.

For the securing of long-term financial liabilities to financial institutions by mortgage, see note 7.

The long-term liabilities to financial institutions and promissory note loans do not include any financial covenants.

In the reporting year, the US government waived the repayment of COVID-related financial assistance worth EUR 0.4 million (see note 32).

On 6 March 2017, the Phoenix Mecano Group took out five-year promissory note loans *(Schuldscheindarlehen)* for EUR 35 million at a fixed interest rate and USD 13.5 million at a variable interest rate. On 18 November 2019, the Phoenix Mecano Group took out another promissory note loan for EUR 30 million with a fixed interest rate and a term of five years. On 5 May 2021, the Phoenix Mecano Group took out a further promissory note loan for EUR 42.5 million with a term of five years and a fixed interest rate. In addition, the promissory note loan for USD 13.5 million, maturing in March 2022, was repaid early in 2021.

On 3 November 2017, a purchase agreement was signed for the acquisition of the remaining 25 % interests in Phoenix Mecano S.E. Asia Pte. Ltd. and Phoenix Mecano Korea Co. Ltd. In 2019, the purchase price liability was adjusted to the fair value via equity. The remaining purchase price liability was paid in 2020 (see note 20).

On 1 April 2019, the Phoenix Mecano Group acquired a majority stake of 80 % in Haining My Home Mechanism Co. Ltd. (PR China), with a call/put option for the remaining 20 %, which was exercised early in 2020. In 2020, the purchase price liability was adjusted to the fair value via equity (see note 20). The purchase price for the remaining shares was paid in two tranches in 2020.

On 2 November 2020, the Phoenix Mecano Group acquired all shares in BEWATEC Connected Care GmbH, Germany, and its subsidiaries, entailing a contingent purchase price liability that is due in tranches between 2021 and 2026 (see notes 20 and 38). The first tranche was paid in 2021. The remaining purchase price liability was adjusted in 2021 without affecting income (see note 20).

On 1 June 2021, the Phoenix Mecano Group acquired 100 % of the shares in X2 Technology AB, Sweden, which was subsequently renamed Phoenix Mecano AB. In addition to a fixed purchase price, an earn-out arrangement was agreed. This entails a contingent purchase price liability that falls due in 2024 (see notes 20 and 38).

12 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract values		Receivables due from derivative financial instruments		Liabilities from derivative financial instruments	
in 1000 EUR	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
FORWARD EXCHANGE CONTRACTS BY CURRENCY						
USD	1 152	994		38	56	
HUF	12 200	7 200			405	605
Total	**13 352**	**8 194**	**0**	**38**	**461**	**605**
FORWARD EXCHANGE CONTRACTS BY MATURITY						
in 1 year				38	461	605
Total			**0**	**38**	**461**	**605**
INTEREST RATE CHANGE CONTRACTS BY CURRENCY						
USD		8 140				1 135
Total	**0**	**8 140**	**0**	**0**	**0**	**1 135**
INTEREST RATE CHANGE CONTRACTS BY MATURITY						
in 1 year						1 135
Total			**0**	**0**	**0**	**1 135**
NET BALANCE SHEET VALUE BY MATURITY						
Total short-term			0	38	461	1 740
Net balance sheet value			**0**	**38**	**461**	**1 740**

The forward exchange purchases of HUF for EUR were used for partial hedging of the planned operating expenses in local currency in Hungary. The forward exchange sales of USD for EUR were used to hedge customer orders in the United States.

In 2017, in connection with the promissory note loan taken out in USD, a cross currency swap of USD 10 million for CHF was performed to fix the interest rate. This was reversed in connection with the early repayment of the promissory note loan in USD (see note 11) in the reporting year.

13 PROVISIONS

RECONCILIATION OF PROVISIONS 2021 in 1000 EUR	Provisions for long-term employee benefits	Guarantee provisions	Restructuring provisions	Other provisions	Total 2021
Provisions as at 1 January	**4 241**	**5 046**	**4 472**	**11 400**	**25 159**
Change in scope of consolidation	10			1	11
Translation differences	33	127	3	192	355
Usage	– 947	– 2 272	– 3 488	– 8 255	– 14 962
Releases	– 474	– 898	– 704	– 635	– 2 711
Allocation	510	2 333	577	8 047	11 467
Provisions as at 31 December	**3 373**	**4 336**	**860**	**10 750**	**19 319**
Due within 1 year	535	3 898	860	10 567	15 860
Due after 1 year	2 838	438	0	183	3 459

RECONCILIATION OF PROVISIONS 2020 in 1000 EUR	Provisions for long-term employee benefits	Guarantee provisions	Restructuring provisions	Other provisions	Total 2020
Provisions as at 1 January	**4 517**	**3 097**	**7 349**	**9 188**	**24 151**
Change in scope of consolidation	34	171	300	1 520	2 025
Translation differences	– 70	– 31	– 7	– 186	– 294
Usage	– 787	– 1 763	– 4 129	– 7 931	– 14 610
Releases	– 279	– 269	– 1 040	– 378	– 1 966
Allocation	826	3 841	1 999	9 187	15 853
Provisions as at 31 December	**4 241**	**5 046**	**4 472**	**11 400**	**25 159**
Due within 1 year	728	4 732	4 472	9 765	19 697
Due after 1 year	3 513	314	0	1 635	5 462

The provisions for long-term employee benefits relate to agreements providing for part-time work for older employees in Germany, statutory retirement pay in Italy ("Trattamento Fine Rapporto") and provisions for length-of-service awards.

The restructuring costs mainly comprise staff costs arising from the announced package of measures to improve performance in the DewertOkin Technology Group and Industrial Components divisions.

Other provisions include provisions for short-term payments to employees. These remained unchanged at EUR 8.1 million. Provisions to cover the remaining lease term following the closure and resizing of sites in Germany fell from EUR 0.7 million to EUR 0.3 million. This item also includes provisions for litigation risks, impending losses and other conceivable risks from contractual or constructive obligations.

14 PENSION OBLIGATIONS

The Phoenix Mecano Group operates a number of pension plans for employees in Switzerland and elsewhere, which meet the relevant criteria for inclusion. These include both defined benefit and defined contribution plans, which cover the Group employees in question against death, disability and retirement risks.

Swiss pension plan (defined contribution)

The Group operates an employee pension plan in Switzerland with a *BVG-Sammelstiftung* (collective foundation), in which the insurance risks are reinsured and the investment risks are borne by the insured (semi-autonomous pension solution). The provisional coverage ratio of this collective foundation, under Article 44 of the Swiss Occupational Pension Ordinance (OPO 2),was 119.6 % at the end of November 2021. However, this calculation does not take into account the value fluctuation reserves, which according to FER 16/11 are not part of the economic benefit of the organisation and were not fully accumulated as of 31 December 2020. Furthermore, in 2021, insured persons were granted additional interest of 2 % on their retirement savings as of 1 June and additional interest of 3 % on their retirement savings as of 1 December. The foundation's 2021 annual report is not yet available. Based on the available information, the Phoenix Mecano Group has concluded that the surplus as at 31 December 2021 cannot be reliably determined and that, given the structure of the Swiss pension plan, the economic share of the Phoenix Mecano Group is zero. As a result, the Swiss pension plan will continue to be disclosed under Pension plans without surplus/deficit in accordance with FER 16/5.

The senior management body is the Foundation Board, which comprises an equal number of employee and employer representatives from the member companies. The Foundation Board is required by law and the pension plan regulations to act solely in the interests of the foundation and its beneficiaries (active insured persons and pension recipients). The employer cannot therefore determine the benefits and financing unilaterally. Decisions are taken jointly by the employee and employer representatives. The Foundation Board is responsible for changes to the pension plan regulations and in particular for determining the financing of pension benefits. The foundation is regulated by the Foundation Supervisory Authority of the Canton of Aargau.

Pension payments are based on retirement savings, to which annual retirement credits and interest are added (negative interest is not possible). Upon retirement, the legal framework provides for the payment of an annuity, with the option of a lump-sum payment. The annuity is calculated by multiplying the retirement savings by the current conversion rate. In addition to retirement benefits, pension benefits also include disability pensions and, in the event of death, partner's and orphan's pensions and, where applicable, a lump-sum death benefit. These are calculated as a percentage of the insured annual salary or old-age pension. The insured can also make additional payments to improve their pension up to the maximum set by the regulations or withdraw money early to buy a residential property for their own use. If the employee leaves the company, the retirement savings are transferred to the pension fund of their new employer or to a vested benefits foundation. Benefits are financed through savings and risk contributions paid by the employer and employee. The savings contributions and the employee contributions to the risks are determined by the Administrative Board consisting of employer and employee representatives. The employer makes at least 50 % of the necessary total contributions.

In setting benefits, the minimum requirements of the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA) and its implementing provisions must be observed. The OPA stipulates the minimum wage to be insured and the minimum retirement credits. The minimum interest rate to be applied to these minimum retirement savings is determined by the Swiss Federal Council at least every two years. In 2022 it is 1% (2021: 1%).

The terms and conditions of the pension plan applicable in the reporting year and the statutory provisions of the OPA give rise to actuarial risks such as investment risk, interest rate risk, disability risk and longevity risk. The latter two are reinsured by a life insurance company.

The pension assets are invested by the collective foundation itself, in accordance with its investment policy and within the legal framework.

In the event of a deficit, the collective foundation must take appropriate measures, which could include restructuring contributions from employers and employees.

Pension plans in other countries (defined contribution)

The Phoenix Mecano Group also operates pension plans in a number of other countries. Some of these plans also include employee contributions. These contributions are normally deducted from the monthly salary and transferred to the pension plan. Apart from paying the contributions and transferring the employee and employer contributions, there are not currently any further obligations on the part of the employer.

German pension plan (defined benefit)

There are personal defined benefit pension plans for individual pensioners, departed and still active employees (mainly executives). No new commitments are being entered into (except in the case of pension plans taken over through acquisitions). In principle, entitlement to pension benefits arises on the grounds of old age, disability or death. Payments take the form of lifetime annuities or in some cases lump-sum payments, depending on the relevant pension regulations. Survivors are entitled to a percentage of the annuity at the time of the beneficiary's death. In principle, as regards the amount of the annuity payment, pension plans are fixed or dependent on the statutory contribution assessment ceiling at the time the insured event occurs. In one case, benefits are dependent on the development of salaries for civil servants. Individual plans have separate plan assets. One plan was adjusted in 2021 and outsourced to an external pension fund. Coverage is checked quarterly for this plan. As long as the Phoenix Mecano Group is not required to make additional payments, no pension obligation is recognised. The pension benefits are financed by the employer. In the event that an employee leaves the company before a pension benefit becomes payable, they retain their entitlements to pension payments in accordance with legal requirements. Of the 10 persons entitled to pension benefits, all had vested benefits as at the balance sheet date.

The terms and conditions of the pension plans and the statutory provisions expose the employer to actuarial risks. The main risks are longevity risk, interest rate risk and the risk of inflation compensation for individual pensions as well as risks associated with the development of civil servant salaries or the contribution assessment ceiling for statutory pension insurance in Germany.

The changes in pension obligations (excluding benefits paid out) are recognised in Personnel expenses in accordance with Swiss GAAP FER 16.

The financial position regarding pension obligations developed as follows in 2021 and 2020:

ECONOMIC BENEFIT/OBLIGATION AND PENSION EXPENSE	Surplus/deficit	Economic part of the organisation		Change from previous year recognised in statement of income in the financial year	Benefits paid out	Accrued contributions per plan	Pension expense in personnel expenses	
				Expense/ (income)	Inflow/ (outflow) of funds		Expense/ (income)	Expense/ (income)
in 1000 EUR	2021	2021	2020	2021	2021	2021	2021	2020
Pension plans without surplus/deficit						1 501	1 501	1 578
Pension plans with deficit	–323	–323	–1 349	–617	–409	0	–617	73
Pension institution without own assets	–5 002	–5 002	–5 058	162	–218	0	162	259
Total	**–5 325**	**–5 325**	**–6 407**	**–455**	**–627**	**1 501**	**1 046**	**1 910**

The reduction in pension expense in 2021 is mainly due to the fact that the interest rate level in Germany decreased only slightly compared with the previous year and to the aforementioned outsourcing and adjustment of a pension plan in Germany.

15 OTHER LIABILITIES

in 1000 EUR	2021	2020
Liabilities to social security providers	3 611	2 856
Liabilities to employees	12 177	8 765
Liabilities arising from VAT and other taxes	5 285	5 668
Advance payments on orders	6 908	4 718
Other	4 185	2 700
Balance sheet value	**32 166**	**24 707**

The advance payments relate to contract liabilities for advance payments received from customers. Advance payments are reclassified to trade receivables when the rights become unconditional. This usually happens when the Phoenix Mecano Group issues an invoice to the customer for the products supplied. The amount of EUR 4.7 million shown in Advance payments at the start of the reporting period was recognised as sales revenue in financial year 2021.

16 DEFERRED TAX

in 1000 EUR	2021	2020
DEFERRED TAX ASSETS ON		
Non-current assets	1 926	2 390
Inventories	3 561	3 293
Receivables	906	363
Provisions/Pension obligations	2 484	2 962
Other	3 686	2 171
Deferred tax assets	**12 563**	**11 179**
Deferred tax on losses carried forward	466	118
Total deferred tax assets	**13 029**	**11 297**
Netting with deferred tax liabilities	– 2 234	– 2 428
Balance sheet value	**10 795**	**8 869**
DEFERRED TAX LIABILITIES ON		
Non-current assets	– 2 562	– 3 383
Inventories	– 265	– 276
Receivables	– 76	– 50
Provisions/Pension obligations	– 33	– 199
Other	– 504	– 471
Total deferred tax liabilities	**– 3 440**	**– 4 379**
Netting with deferred tax assets	2 234	2 428
Balance sheet value	**– 1 206**	**– 1 951**
Net position deferred tax	**9 589**	**6 918**
TREND OF DEFERRED TAX		
As at 1 January	**6 918**	**6 592**
Changes of tax rate recognised in the statement of income	10	63
Translation differences	472	– 177
Change in scope of consolidation	737	– 1 179
Change in temporary differences recognised in the statement of income	1 452	1 619
As at 31 December	**9 589**	**6 918**

in 1000 EUR	2021	2020
EXPIRY OF NON-CAPITALISED TAX LOSSES CARRIED FORWARD		
Up to 1 year	172	221
1 – 2 years	197	342
2 – 3 years	3 419	363
3 – 4 years	2 805	3 359
4 – 5 years	4 244	2 833
Over 5 years	81 700	89 621
Total	**92 537**	**96 739**
VALUATION DIFFERENCES ON WHICH NO DEFERRED TAXES WERE CAPITALISED		
Non-current assets	715	8
Inventories	0	77
Receivables	18	5
Provisions	1 049	2 720
Other	105	134
Total	**1 887**	**2 944**

Due to uncertainties regarding the usability of tax losses carried forward totalling EUR 92.5 million (previous year: EUR 96.7 million), no deferred tax assets were recorded on this amount. Of the tax losses carried forward which expire after five years, EUR 25.9 million (previous year: EUR 27.3 million) expire within 20 years. The remaining losses can be carried forward for an indefinite period.

17 SHARE CAPITAL AND RESERVES

The share capital is fully paid up and divided into 960 500 bearer shares (previous year: 960 500) with a nominal value of CHF 1.00. The conversion into euro is effected at the exchange rate applying when Phoenix Mecano AG's functional currency was changed from CHF to EUR (1 January 2019, 0.8870). There is no authorised or contingent capital. Each share entitles the holder to attend the Shareholders' General Meeting and cast one vote. The translation differences include the cumulative currency translation differences resulting from translation of the financial statements of Group companies into euro.

The significant shareholders of Phoenix Mecano AG are:

Name in %	Head office	2021	2020
Planalto AG [2]	Luxembourg, Luxembourg	34.6 [1]	34.6 [1]
Tweedy, Browne Company LLC, Stamford, USA [3]	Stamford, USA	8.5 [1]	8.5 [1]
Tweedy, Browne Global Value Fund [4] *(A subdivision of Tweedy, Browne Fund Inc.)*	*Stamford, USA*	*7.2* [1]	*7.2* [1]
J. Safra Sarasin Investmentfonds AG (formerly Sarasin Investmentfonds AG)	Basel, Switzerland	5.1 [1]	5.1
Credit Suisse Funds AG	Zurich, Switzerland	3.9	< 3
UBS Fund Management (Switzerland) AG	Basel, Switzerland	3.8	[1]

1 Shareholding not notified in the year indicated.
2 The economic beneficiary and person entitled to exercise voting rights is Gisela Goldkamp. The owner of the voting rights is Benedikt A. Goldkamp.
3 Tweedy, Browne Company LLC (TBC) is not an economic beneficiary owner of the shares. TBC has been delegated voting authority pursuant to separate investment advisory agreements. Please note that included in the shares reported with this filing are 68 640 shares held by Tweedy, Browne Global Value Fund, a direct acquirer and economic beneficiary.
4 Pursuant to an investment advisory agreement between Tweedy, Browne Global Value Fund (TBGVF) and TBC, TBGVF has delegated voting authority with respect to 68 640 bearer shares in Phoenix Mecano AG to TBC. TBC is not an economic beneficiary of any of the shares. TBGVF is the sole economic beneficiary of the shares.

This information is based on notifications by the aforementioned shareholders. Individual notifications can be viewed at the following link of SIX Swiss Exchange: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

18 TREASURY SHARES

	Number of shares		Acquisition costs	
Number/in 1000 EUR	2021	2020	2021	2020
As at 1 January	**491**	**1 000**	**194**	**385**
Share purchases	0	0	0	0
Share sales	– 302	– 509	– 117	– 191
As at 31 December	**189**	**491**	**77**	**194**

19 MINORITY INTERESTS

The minority interests are:

in 1000 EUR	2021	2020
Direct minority interests		
Tefelen LLC	49	49
DewertOkin Technology Group Co. Ltd.	11	–
Sistemas Phoenix Mecano España S.A.	10	10
Orion Technologies LLC	10	10
Indirect minority interests in the following subsidiaries of DewertOkin Technology Group Co. Ltd.		
Haining MyHome Mechanism Co. Ltd.	11	–
Bewatec (Zhejiang) Medical Equipment Co. Ltd.	11	–
Bewatec (Shanghai) Medical Device Co. Ltd.	11	–
Okin Vietnam Company Ltd.	11	–
DewertOkin GmbH	11	–
BEWATEC Connected Care GmbH	11	–
DewertOkin AG	11	–
DewertOkin KFT	11	–
DewertOkin Services KFT	11	–
DewertOkin AB	11	–
OKIN America Inc.	11	–
DewertOkin do Brasil Ltda.	11	–
DewertOkin Latin America S.A.	11	–

The Phoenix Mecano Group owns 51 % of Tefelen LLC and had committed to contribute USD 3 million to the company's capital reserves by mid-2021, of which USD 2.6 million was paid. In 2021, the shareholders of Tefelen LLC decided to discontinue the project of establishing busbars in the North American market, to forego further contributions and to dissolve the company. The liquidation will be completed in early 2022. The balance sheet items of Tefelen US were measured at fair value at the end of 2021.

As part of a capital increase at DewertOkin Technology Group Co. Ltd (China), approved in October 2021, minority shareholders were allowed to acquire an 11.2 % investment in the company. This was in connection with the employee participation plan for around 60 key employees of the DewertOkin Technology Group (DOT) division, which was launched in late 2020 with a view to the planned partial IPO in China. As a result, equivalent indirect minority interests are held in all subsidiaries of DewertOkin Technology Group Co. Ltd. (China).

These transactions are recognised in the statement of changes in equity.

20 CATEGORIES OF FINANCIAL INSTRUMENTS

As at 31 December 2021 and 31 December 2020, the book values of financial assets and liabilities (excluding long-term fixed-interest financial liabilities), as shown below, correspond approximately to the fair value as per Swiss GAAP FER.

in 1000 EUR	Note	2021	2020
Cash and cash equivalents (excluding cash on hand)	3	99 527	77 069
Trade receivables	4	147 111	133 803
Other receivables (excluding VAT and other taxes and advance payments for inventories)	5	5 765	4 745
Other financial assets (excluding investments)	10	517	1 098
Assets at amortised cost		**252 920**	**216 715**
Derivative financial instruments (not used for hedging)	12	0	38
Financial assets at fair value through profit or loss		**0**	**38**
Financial liabilities (excluding purchase price liabilities)	11	– 175 976	– 182 654
Trade payables		– 118 579	– 85 682
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	15	– 4 185	– 2 700
Liabilities at amortised cost		**– 298 740**	**– 271 036**
Purchase price liabilities from acquisitions	11	– 4 170	– 9 958
Derivative financial instruments (not used for hedging)	12	– 461	– 1 740
Financial liabilities at fair value through profit or loss		**– 4 631**	**– 11 698**

The following table classifies the financial assets and liabilities measured at market value:

in 1000 EUR	Note	2021	2020
FINANCIAL ASSETS MEASURED AT MARKET VALUE			
Derivative financial instruments	12	0	38
Outstanding residual purchase price payment	5/10	573	1 006
Total		**573**	**1 044**
FINANCIAL LIABILITIES MEASURED AT MARKET VALUE			
Derivative financial instruments	12	– 461	– 1 740
Purchase price liabilities from acquisitions	11	– 4 170	– 9 958
Total		**– 4 631**	**– 11 698**

The financial instruments consist solely of interest rate swaps (in the previous year) and forward exchange transactions. The fair value corresponds to the present value of the estimated future cash flows based on the terms and maturities of each individual contract, discounted at a market interest rate as at the measurement date.

The following table provides an update on purchase price liabilities from acquisitions:

in 1000 EUR	Note	2021	2020
As at 1 January		**9 958**	**20 507**
Change in scope of consolidation	38	494	6 584
Currency differences		– 4	289
Usage		– 2 778	– 18 619
Allocation/(release) (via equity)		– 3 500	1 197
As at 31 December		**4 170**	**9 958**

The fair value of the purchase price liabilities is dependent on sales benchmarks, which are based partly on target figures. The purchase price liabilities may alter owing to a change in exchange rates (see note 22), a change in the interest rate, the addition of accrued interest or a change in the parameters for determining the purchase price. If the relevant future sales figures were 10 % higher, the purchase price liabilities would increase by EUR 0.4 million (previous year: EUR 0.1 million), assuming all other variables remained constant.

In 2021, the usage relates to payments of EUR 2.0 million as part of the acquisition of Haining My Home Mechanism Co. Ltd., PR China, and payments of EUR 0.8 million as part of the acquisition of BEWATEC Connected Care GmbH.

In 2020, the usage relates to payments of EUR 1.5 million linked to the acquisition of the remaining interests in Phoenix Mecano S.E. Asia Pte. Ltd. and Phoenix Mecano Korea Co. Ltd. as well as EUR 17.1 million of payments linked to the acquisition of Haining My Home Mechanism Co. Ltd., PR China (see note 11).

The above-mentioned purchase price liabilities were adjusted to the fair value in 2021 and 2020 respectively.

The Phoenix Mecano Group holds a 76.35 % stake in Orion Technologies LLC (USA). There is also a call/put option on a minority interest of 13.65 %, which was extended in 2020 and can now be exercised in 2022. This purchase price liability was measured at a fair value of zero at the end of 2021 and at the end of 2020.

21 RISK MANAGEMENT

The Board of Directors of Phoenix Mecano AG has ultimate responsibility for risk management. Group Controlling is responsible for developing the risk management principles. The Board of Directors set up the Internal Auditing Department, which is responsible for monitoring compliance with risk management principles. The Internal Auditing Department reports regularly to the Audit Committee of the Phoenix Mecano AG Board of Directors. The risk management principles that have been established are geared towards identifying and analysing the risks to which the Group is exposed, developing checks and balances, and monitoring risks. The risk management principles and the processes associated with them are regularly reviewed to take account of changes in market conditions and the Group's activities.

22 FINANCIAL RISK MANAGEMENT

General

The Phoenix Mecano Group is exposed to various financial risks through its business activities, namely credit risk, market risk (i.e. currency and interest rate risks) and liquidity risk. Currency and interest rate risks are managed centrally at Group level. Derivative financial instruments, of which only limited use is made – almost exclusively for hedging purposes – are also controlled centrally. In view of this centralised currency management, exchange rate differences are shown in the financial result.

The management of non-essential cash and cash equivalents and the Group's financing is also centrally controlled.

The following sections give an overview of specific financial risks, their magnitude, the aims, principles and processes involved in measuring, monitoring and hedging them, and the Group's capital management.

Credit risk

Credit risk is the risk of incurring financial loss when a counterparty to a financial instrument fails to meet its contractual obligations. Credit risks are most likely to be associated with long-term loans, short-term financial receivables, trade receivables, and cash and cash equivalents. The Group minimises the credit risk associated with cash and cash equivalents by only doing business with reputable financial institutions and by dealing with a range of such institutions rather than just one.

To reduce the risk associated with trade receivables, customers are subject to internal credit limits. Because the customer structure varies from one business area to the next, there are no general credit limits applying throughout the Phoenix Mecano Group. Creditworthiness is reviewed on an ongoing basis according to internal guidelines. Credit limits are set based on financial situation, previous experience and other factors. The Group's extensive customer base, which covers a variety of regions and sectors, means that the credit risk on receivables is limited. For incurred and expected losses on receivables, value adjustments are recognised on the basis of an expected credit loss model (see note 4). In the past, actual losses have not exceeded the management's expectations. Except for one trade receivable (see note 4), there are no individual receivables accounting for more than 10 % of the total.

The maximum credit risk on financial instruments corresponds to the book values of the individual financial assets (see note 20). There are no guarantees or similar obligations that could cause the risk to exceed book values.

Liquidity risk

Liquidity risk is the risk that the Phoenix Mecano Group will be unable to meet its financial obligations when these become due.

The Phoenix Mecano Group monitors its liquidity risk by means of careful liquidity management. In so doing, its guiding principle is to make available a cash reserve exceeding daily and monthly operational funding requirements. Given the dynamic business environment in which it operates, the Group's aim is to preserve the necessary flexibility of financing by ensuring that it has sufficient unused credit lines with financial institutions and retains its ability to procure funds on the capital market. The credit lines are divided up among several financial institutions. As at 31 December 2021, unused credit lines with major banks totalled EUR 138.2 million (previous year: EUR 88.4 million).

Maturity analysis of financial liabilities

in 1000 EUR	Book value	Outflow of funds	in < 3 months	in 3–6 months	in 6–12 months	in 1–5 years	in > 5 years
Maturity analysis as at 31 December 2021							
NON-DERIVATIVE FINANCIAL INSTRUMENTS							
Trade payables	118 579	– 118 579	– 99 958	– 18 621			
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	4 185	– 4 185	– 4 185				
Financial liabilities (excluding financial leasing)	180 146	– 184 527	– 65 644	– 14 228	– 15 583	– 87 596	– 1 476
Total	**302 910**	**– 307 291**	**– 169 787**	**– 32 849**	**– 15 583**	**– 87 596**	**– 1 476**
DERIVATIVE FINANCIAL INSTRUMENTS							
Forward exchange transaction	461						
Outflow of funds		– 13 352	– 13 352				
Inflow of funds		12 891	12 891				
Total	**303 371**	**– 307 752**	**– 170 248**	**– 32 849**	**– 15 583**	**– 87 596**	**– 1 476**
Maturity analysis as at 31 December 2020							
NON-DERIVATIVE FINANCIAL INSTRUMENTS							
Trade payables	85 682	– 85 682	– 85 682				
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	2 700	– 2 700	– 2 700				
Financial liabilities (excluding financial leasing)	192 612	– 195 992	– 49 642	– 25 158	– 19 014	– 98 844	– 3 334
Total	**280 994**	**– 284 374**	**– 138 024**	**– 25 158**	**– 19 014**	**– 98 844**	**– 3 334**
DERIVATIVE FINANCIAL INSTRUMENTS							
Interest rate swap	1 135	– 1 135	– 1 135				
Forward exchange transaction	567						
Outflow of funds		– 8 194	– 8 194				
Inflow of funds		7 627	7 627				
Total	**282 696**	**– 286 076**	**– 139 726**	**– 25 158**	**– 19 014**	**– 98 844**	**– 3 334**

Contingent liabilities (see note 24) represent a potential outflow of funds.

Market risk
Market risk is the risk that changes in market prices such as exchange rates, interest rates and share prices will have an effect on the earnings and fair value of the financial instruments held by Phoenix Mecano. The aim of market risk management is to monitor and control such risks, thereby ensuring that they do not exceed a certain level.

Currency risk While it generates 39 % of its sales in the euro area (previous year: 38 %) and a significant portion of its expenditure is in EUR, the Phoenix Mecano Group operates internationally and is therefore exposed to a foreign currency risk. Aside from EUR, transactions are conducted principally in USD, CNY, CHF and HUF. Foreign currency risks arise from expected future transactions and from assets and liabilities recorded in the balance sheet, where these are not in the functional currency of the respective Group company. To hedge such risks from expected future transactions, the Phoenix Mecano Group enters into forward exchange contracts with reputable counterparties as and when necessary, or uses foreign currency options. This hedging relates to planned expenditure in local currency at the production site in Hungary. Occasionally, USD and CHF transactions are also hedged. Hedges decline as a proportion of the planned currency exposure the further ahead the transaction is due to take place. The extent of the items to be hedged is reviewed regularly. Such hedges cover a maximum period of three years. The Group realises both income and expenditure in USD and CNY and aims to minimise the resulting currency exposure primarily by means of operational measures (alignment of income and expenditure flows).

Financing from financial institutions is mainly in EUR, CHF, USD and CNY and is generally taken out by Group companies with these currencies as their functional currency. Exceptions to this are some CHF and USD financing arrangements.

The following tables set out currency risks associated with financial instruments, where the currency differs from the functional currency of the Group company holding the instruments. The tables only include risks from positions in the consolidated financial statements (i.e. excluding positions between Group companies).

in 1000 EUR	EUR	CHF	USD	HUF	CNY
Currency risk as at 31 December 2021					
NON-DERIVATIVE FINANCIAL INSTRUMENTS					
Trade receivables	2 027		14 666	37	
Cash and cash equivalents	1 877	1 203	15 601	1 110	217
Trade payables	– 839	– 289	– 2 063	– 523	– 5
Financial liabilities		– 1 936	– 13 245		
Net risk	**3 065**	**– 1 022**	**14 959**	**624**	**212**
Currency risk as at 31 December 2020					
NON-DERIVATIVE FINANCIAL INSTRUMENTS					
Trade receivables	2 365		15 047	42	
Cash and cash equivalents	3 429	714	13 769	1 430	362
Trade payables	– 370	– 311	– 2 843	– 475	– 12
Derivatives			8 140		
Financial liabilities		– 5 527	– 24 420		
Net risk	**5 424**	**– 5 124**	**9 693**	**997**	**350**

In relation to the above-mentioned currency risks and taking into account the forward exchange contracts open on the balance sheet date (see note 12), the following sensitivity analysis for the main currency pairs shows how the result of the period would be affected if the exchange rates were to alter by 10 %. All other variables, in particular interest rates, are assumed to remain unchanged.

in 1000 EUR	CHF/ EUR	CHF/ USD	EUR/ USD	EUR/ HUF	EUR/ CNY	USD/ CNY	EUR/ RON	EUR/ INR
Sensitivity analysis as at 31 December 2021								
Change in result of the period (+/–)	255	7	923	1 282	20	2 420	19	115
Sensitivity analysis as at 31 December 2020								
Change in result of the period (+/–)	570	814	1 547	820	77	1 763	12	77

The above sensitivity analysis is a consolidated view as at the balance sheet date. Significantly greater effects on the statement of income may arise from price movements relating to ongoing foreign currency transactions during the financial year. Currency risks also arise from intercompany receivables and liabilities, which are not taken into account in the above sensitivity assessment.

Interest rate risk Interest rate risk is divided up into an interest cash flow risk, i.e. the risk that future interest payments will change due to fluctuations in the market interest rate, and an interest-related risk of a change in the market value, i.e. the risk that the market value of a financial instrument will change due to fluctuations in the market interest rate. The Group's interest-bearing financial assets and liabilities are primarily cash and cash equivalents as well as liabilities to financial institutions, promissory note loans and residual purchase price liabilities. Where appropriate, the Group uses interest rate options and swaps to hedge and/or structure external debts.

Sensitivity analyses as at 31 December 2021 and 2020:
An interest rate change of 50 basis points in the reporting year would have an impact of EUR 0.2 million (previous year: EUR 0.3 million) on the result of the period and equity.

23 CAPITAL MANAGEMENT

The aims of capital management are to safeguard the Phoenix Mecano Group as a going concern, thereby ensuring continued income for shareholders and providing other stakeholders with the benefits to which they are entitled. In addition, the Group seeks to preserve scope for future growth and acquisitions by means of conservative financing.

To this end, the Group aims to maintain a long-term equity ratio of at least 40 %. Due to the offsetting of a larger goodwill item against equity as part of an acquisition in 2020, the ratio temporarily fell below this level. As at 31 December 2021, the equity ratio was 39.6 %, only slightly below the target minimum rate. The dividend policy of the Phoenix Mecano Group specifies a payout ratio of 40–50 % of sustainable net profit. Capital increases should be avoided as far as possible in order to prevent profit dilution. Where appropriate, the Group uses share buy-backs as a means of adjusting its capital structure and reducing capital costs.

The Phoenix Mecano Group monitors its capital management based on its gearing, i.e. the ratio of net indebtedness to equity. Net indebtedness consists of total interest-bearing liabilities (including purchase price liabilities from acquisitions) less cash and cash equivalents.

Net indebtedness as at 31 December 2021 and 31 December 2020 was as follows:

in 1000 EUR	Note	2021	2020
Long-term financial liabilities	11	86 297	100 575
Short-term financial liabilities	11	93 849	92 037
Interest-bearing liabilities		**180 146**	**192 612**
less cash and cash equivalents	3	99 589	77 187
Net indebtedness		**80 557**	**115 425**
Equity		244 245	192 347
Gearing		**33.0 %**	**60.0 %**

24 CONTINGENT LIABILITIES

in 1000 EUR	2021	2020
Sureties and guarantees	3 145	1 867
Commitments from bills of exchange	122	101
Total	**3 267**	**1 968**

25 COMMITMENTS TO PURCHASE TANGIBLE AND INTANGIBLE ASSETS

Purchase commitments as at 31 December 2021 were EUR 14.4 million for tangible assets (previous year: EUR 23.6 million) and EUR 0.1 million for intangible assets (previous year: EUR 0.1 million).

The commitments for tangible assets relate primarily to the new building currently under construction in Jiaxing, China, for the DewertOkin Technology Group division.

26 OPERATING LEASES, RENT AND LEASEHOLD RENT

in 1000 EUR	2021	2020
Minimum commitments due within 1 year	5 229	4 814
Minimum commitments due within 1–5 years	6 957	7 792
Minimum commitments due after 5 years	3 943	4 118
Minimum operating leasing, rent and leasehold rent commitments	**16 129**	**16 724**
Minimum claims due within 1 year	107	97
Minimum claims due within 1–5 years	6	2
Minimum commitments due after 5 years	19	0
Minimum claims from rent/leasehold rent	**132**	**99**

The operating leasing, rent and leasehold rent commitments consist almost exclusively of commitments for leased premises and floor space (long-term lease).

27 SALES REVENUE

in 1000 EUR	2021	2020
Gross sales	816 994	687 442
Revenue reductions	– 7 404	– 5 316
Sales revenue (net sales) from contracts with customers	**809 590**	**682 126**

Gross sales rose by 18.8 % compared with the previous year (previous year: 1.1 %). Organic, local-currency gross sales rose by 17.7 % (previous year: 0.6 %).

The Phoenix Mecano Group is a globally active component manufacturer with a broad product range and a very diversified customer structure, with few large customers. Most customers are served on the basis of customer orders. As a rule, these orders contain only the products ordered, at a fixed price per unit. Manufacturing lead times are generally short. Invoicing and revenue recognition take place immediately after delivery (according to industry-standard Incoterms), as soon as control over the good has been transferred to a customer. Usual payment terms range from 30 to 90 days and contain neither a financing component nor a variable consideration. A provision is recognised for the Phoenix Mecano Group's obligation to repair or replace faulty products under standard warranty terms (see note 13).

The following table shows the total amount of the performance obligations not yet fulfilled at the balance sheet date:

in 1000 EUR	2021	2020
Expected fulfilment in < 1 year	254 585	226 654
Expected fulfilment in > 1 year	53 178	23 035
Total	**307 763**	**249 689**

28 OTHER OPERATING INCOME

in 1000 EUR	2021	2020
Reimbursement from insurance	580	149
Gains on the disposal of tangible and intangible assets	326	2 585
Government subsidies	6 782	4 508
Other	2 769	2 169
Total	**10 457**	**9 411**

The increase in gains on the disposal of tangible assets in 2020 was primarily due to the sale of properties in China, Germany and Tunisia. There was a significant increase in government subsidies in 2021 and 2020, attributable to subsidies in China in connection with the planned partial IPO of the DewertOkin Technology Group (DOT) division.

29 COST OF MATERIALS

in 1000 EUR	2021	2020
Cost of raw and ancillary materials, merchandise for resale and external services	433 142	349 678
Incidental acquisition costs	17 794	12 007
Total	**450 936**	**361 685**

Losses and value adjustments on inventories are posted under Other operating expenses (see note 31).

30 PERSONNEL EXPENSES

in 1000 EUR	2021	2020
Wages and salaries	175 242	166 976
Social costs	30 590	27 823
Supplementary staff costs	14 005	11 070
Total	**219 837**	**205 869**

In connection with the planned partial IPO of the DewertOkin Technology Group (DOT) division in China, an employee participation plan for around 60 key employees in this division was launched in late 2020. The plan is tied to the performance of the employees concerned. The qualifying employees were able to acquire shares in DewertOkin Technology Group Co. Ltd. (CN), partly with no further conditions in 2020 and partly conditional upon the achievement of performance targets in 2021. These employee shares will be subject to a three-year lock-up period after the partial IPO. Expenses of EUR 0.7 million (previous year: EUR 4.6 million) for this employee participation plan are included under Personnel expenses. The staff costs arising from the employee participation plan are based on the difference between the issue price and the fair value of the allocated shares. The corresponding shares were paid up in 2021. The fair value is based on external valuations of the company.

31 OTHER OPERATING EXPENSES

in 1000 EUR	Note	2021	2020
External development costs		1 864	1 562
Establishment expenses		30 591	26 714
Rent, leasehold rent, leases		6 383	5 207
Administration expenses		10 617	11 064
Advertising expenses		4 244	3 222
Sales expenses		19 001	15 860
Losses on the disposal of tangible and intangible assets		185	265
Losses and value adjustments on receivables	4	3 720	149
Losses and value adjustments on inventories	6	4 115	6 526
Capital and other taxes		2 252	2 113
Other		6 619	7 643
Total		**89 591**	**80 325**

Administration expenses include consulting expenses of EUR 1.4 million (previous year: EUR 1.7 million) for the planned partial IPO of the DewertOkin Technology Group division.

32 FINANCIAL INCOME

in 1000 EUR	Note	2021	2020
Interest income from third parties		463	879
Gain from financial instruments at fair value through profit or loss (trading derivatives)	12	663	72
Exchange rate gains		3 677	6 285
Other financial income		407	44
Total		**5 210**	**7 280**

Gain from financial instruments includes compensation of EUR 0.6 million linked to the early termination of the interest rate swap (see note 12).

In 2021, other financial income includes income of EUR 0.4 million due to the government waiving the repayment of COVID-related financial support in the United States.

33 FINANCIAL EXPENSES

in 1000 EUR	Note	2021	2020
Interest expense		3 143	3 074
Loss from financial instruments at fair value through profit or loss (trading derivatives)	12	56	1 256
Exchange rate losses		3 792	7 229
Loss on the disposal of Group companies	39	0	1 612
Other financial expense		220	318
Total		**7 211**	**13 489**

The loss on the disposal of Group companies in 2020 was due to the sale of all shares in Phoenix Mazaka AS (Turkey) and the sale of the majority stake in Phoenix Mecano Australia Pty Ltd. (Australia), in which the Phoenix Mecano Group now retains a 29.2 % shareholding (see notes 9 and 39).

34 INCOME TAX

in 1000 EUR	2021	2020
Current income tax	13 566	9 403
Deferred tax	– 1 462	– 1 682
Income tax	**12 104**	**7 721**
RECONCILIATION FROM THEORETICAL TO EFFECTIVE INCOME TAX		
Result before tax	**42 216**	**16 601**
Theoretical income tax	**11 286**	**4 062**
Weighted income tax rate	**26.7**	**24.5**
Changes of tax rate deferred tax	– 13	– 63
Tax-free income	– 1 858	– 1 382
Non-deductible expenses	1 838	2 851
Tax effect on losses in the reporting year	3 258	1 145
Tax effect of losses carried forward from previous years	– 2 643	– 1 584
Income tax relating to other periods	245	850
Other	– 9	1 842
Effective income tax	**12 104**	**7 721**
Effective income tax rate	**28.7 %**	**46.5 %**

The theoretical income taxes are derived from the weighted current local tax rates in the countries where the Phoenix Mecano Group does business.

The high effective income tax rate of 46.5 % in 2020 is mainly due to non-deductible expenses and other tax effects resulting from preparatory measures for the planned partial IPO of the DewertOkin Technology Group division.

35 EARNINGS PER SHARE

in 1000 EUR	2021	2020
Result of the period attributable to shareholders of the parent company	31 198	9 044
Number		
NUMBER OF SHARES		
Shares issued on 1 January	960 500	960 500
Treasury shares (annual average)	–272	–836
Shares outstanding	**960 228**	**959 664**
Basis for diluted earnings per share	960 228	959 664
Basis for undiluted earnings per share	960 228	959 664
EARNINGS PER SHARE		
Earnings per share – undiluted (in EUR)	**32.49**	**9.42**
Earnings per share – diluted (in EUR)	**32.49**	**9.42**

36 OPERATING CASH FLOW

in 1000 EUR	2021	2020
Operating result	43 944	22 430
Depreciation on tangible assets	18 880	19 514
Amortisation of intangible assets	3 418	2 926
Impairment/(reversal of impairment losses) on tangible and intangible assets	–9	3 344
Operating cash flow	**66 233**	**48 214**

37 FREE CASH FLOW

in 1000 EUR	Note	2021	2020
Cash flow from operating activities		54 841	27 783
Purchases of tangible assets	7	–25 020	–25 631
Purchases of intangible assets	8	–4 532	–2 130
Disinvestments in tangible assets		1 573	9
Disinvestments in intangible assets		15	10 319
Free cash flow (before financial investments)		**26 877**	**10 350**

38 ACQUISITION OF GROUP COMPANIES

On 1 June 2021, the Phoenix Mecano Group acquired 100 % of the shares in X2 Technology AB, Sweden, which develops and manufactures lifting columns for high-end medical and industrial applications. The company has been incorporated into the Industrial Components division and renamed Phoenix Mecano AB. The acquired business generated gross sales of around EUR 2.5 million in 2020, with 15 employees.

On 1 January 2020, the Phoenix Mecano Group acquired, under asset deals, the business operations of APT GmbH Automation & Produktionstechnik (in provisional insolvency) and Linear- und Handhabungstechnik GmbH & Co KG, both active in system solutions for automation and production technology, which it merged to form a new company called RK Antriebs- und Handhabungs- Technik GmbH, based in Bienenbüttel, Germany. The acquired business operations generated gross sales of just under EUR 4 million in 2019, with 29 employees.

With effect from 2 November 2020, the Phoenix Mecano Group acquired all shares in BEWATEC Kommunikationstechnik GmbH, based in Telgte, Germany. The takeover will give Phoenix Mecano access to digital hospital infrastructure and expand its expertise in software development. In 2019, the group generated sales of around EUR 13 million with 140 employees. Originally a manufacturer of multimedia devices for use on wards, BEWATEC has become a driving force in the digital transformation of the hospital environment thanks to its device-independent software ConnectedCare. BEWATEC Kommunikationstechnik GmbH (Telgte, Germany) holds a 100 % interest in BEWATEC Connected.Care GmbH (Berlin, Germany) and a 49 % interest in BEWATEC Technologies Co., Ltd. (China). The latter is recognised as an associated investment (see note 9).

The acquired assets and assumed liabilities break down provisionally (for 2021) as follows:

in 1000 EUR	Fair value 2021	Fair value 2020
Cash and cash equivalents	–43	–427
Trade receivables	480	827
Inventories	740	3 275
Other current assets	32	919
Tangible assets	20	738
Intangible assets	13	4 372
Financial assets	0	863
Deferred tax	0	–737
Loans	0	–17 299
Other liabilities	–736	–3 384
Identifiable net assets	**506**	**–10 853**
Goodwill from acquisition	978	21 438
Purchase price	**1 484**	**10 585**
Purchase price liability (earn-out)	–494	–6 584
Loans taken over from the seller	0	16 726
Cash and cash equivalents acquired	43	427
Change in funds (cash outflow)	**1 033**	**21 154**

The difference of EUR 0.7 million in goodwill from acquisitions between the table above and the statement of changes in equity is due to a subsequent adjustment of deferred tax and goodwill linked to the acquisition of Bewatec in November 2020.

39 DISPOSALS OF GROUP COMPANIES

in 1000 EUR	2021	2020
Cash and cash equivalents		2 262
Other current assets		4 370
Tangible assets		257
Intangible assets		4
Other non-current assets		318
Liabilities		–2 275
Minority interest		–1 059
Net assets	**0**	**3 876**
(Loss)/gain on the disposal of Group companies		–2 193
Sale price	**0**	**1 683**
of which outstanding residual purchase price payment		–1 048
Outflow of cash and cash equivalents		–2 262
Change in funds	**0**	**–1 627**

In 2020, the Phoenix Mecano Group sold all shares in Phoenix Mecano Mazaka AS (Turkey), and its majority stake in Phoenix Mecano Australia Pty. was sold to the minority shareholders, with a corresponding loss of control. The derecognition of all shares in these two companies resulted in a book loss of EUR 2.2 million. This is reduced by EUR 0.6 million to EUR 1.6 million (see note 33) due to the retention of a minority interest of 29.2 % in Phoenix Mecano Australia Pty. The cumulative currency differences were derecognised through equity in accordance with the accounting principles (see consolidated statement of changes in equity).

40 TRANSACTIONS WITH RELATED PARTIES

in 1000 EUR	2021	2020
Benedikt A. Goldkamp, Chairman of the Board of Directors	896	646
Ulrich Hocker, Independent Lead Director	238	240
Other members of the Board of Directors	178	180
Remuneration of the Board of Directors	**1 312**	**1 066**
Remuneration of the management	**1 469**	**1 076**
Remuneration of the Board of Directors and management	**2 781**	**2 142**
Social security contributions	216	179
Pension obligations	176	191
Total remuneration of the Board of Directors and management	**3 173**	**2 512**

All compensation is short term in nature.

No compensation was paid in the reporting year or the previous year to former corporate officers who left the company in previous years.

The members of the Board of Directors and of the management received no other compensation or fees for additional services to the Phoenix Mecano Group.

No loans/credit or securities were granted to members of the Board of Directors or the management or persons related to them.

Transactions with associated companies are presented in notes 4 and 9.

41 SHADOW STATEMENT OF GOODWILL

A theoretical capitalisation of goodwill would have the following impact on the consolidated financial statements:

in 1000 EUR	2021	2020
THEORETICAL STATEMENT OF GOODWILL		
Acquisition costs 1 January	**109 959**	**88 956**
Additions of companies included in consolidation	241	21 438
Adjustment of purchase price liability	–3 500	1 038
Translation differences	5 039	–1 473
Acquisition costs 31 December	**111 739**	**109 959**
Accumulated impairment losses 1 January	**53 992**	**38 877**
Amortisation	16 211	13 466
Impairment losses	0	2 262
Translation differences	1 835	–613
Accumulated impairment losses 31 December	**72 038**	**53 992**
Theoretical net values 1 January	**55 967**	**50 079**
Theoretical net values 31 December	**39 701**	**55 967**
IMPACT ON BALANCE SHEET		
Equity according to balance sheet	244 245	192 347
Theoretical capitalisation of net carrying amount of goodwill	39 701	55 967
Theoretical equity including net carrying amount of goodwill	**283 946**	**248 314**
IMPACT ON STATEMENT OF INCOME		
Result of the period	30 112	8 880
Goodwill amortisation	–16 211	–13 466
Impairment losses	0	–2 262
Theoretical result of the period including goodwill amortisation	**13 901**	**–6 848**

The goodwill resulting from acquisitions is offset against consolidated equity at the acquisition date. Theoretical depreciation takes place on a straight-line basis over a period of five years.

The adjustment of the purchase price liability is due to an adjustment of the fair value at BEWATEC Connected.Care GmbH (D) (see note 20).

On the balance sheet date of the financial statements as at 31 December 2021, a potential impairment was identified on the goodwill of the Bewatec product area. This goodwill was therefore tested for impairment. The value in use was found to be above the corresponding book value and accordingly the goodwill was not written down in the shadow statement. To determine the present value (value in use), a pre-tax discount rate (WACC) of 8.2 % was used to measure the goodwill of the Bewatec product area as at 31 December 2021. Zero growth was assumed after the projection period.

On the balance sheet date of the interim financial statements as at 30 June 2020, a potential impairment was identified on the goodwill of the Ismet product area. This goodwill was therefore tested for impairment. The value in use was found to be below the corresponding book value and the goodwill was written down accordingly in the shadow statement. To determine the present value (value in use), a pre-tax discount rate (WACC) of 10.5 % was used to measure the goodwill of the Ismet product area as at 30 June 2020. Growth of 1.5 % was assumed after the projection period.

As at 31 December 2021, there were no indications of any further impairment of goodwill.

42 EVENTS AFTER THE BALANCE SHEET DATE

The economic impact of the armed conflict in Ukraine will be felt globally. The direct consequences include trade embargoes, disruption to international supply chains, and skyrocketing raw material prices. In the short term, losses in direct business with customers in Russia are to be expected. Sales with customers in other countries who supply products to Russia are also at high risk. In addition, the conflict is having a significant impact on global financial markets, which may lead to increased costs. Phoenix Mecano cannot escape these effects. However, due to the high level of uncertainty, it is not possible to make specific statements about the financial impact on the Group at the present time.

Meanwhile, it is still unclear when the coronavirus pandemic will come to an end. The mild but highly transmissible Omicron variant means that the number of infections is rising again in Europe and China. The impact of this is not yet quantifiable.

No other events occurred between 31 December 2021 and 25 March 2022 that would alter the book values of assets and liabilities or should be disclosed under this heading.

44 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

At its meeting on 25 March 2022, the Board of Directors of Phoenix Mecano AG released the 2021 consolidated financial statements for publication They will be submitted to the Shareholders' General Meeting on 20 May 2022 with a recommendation for their approval.

45 DIVIDEND

The Board of Directors recommends to the Shareholders' General Meeting on 20 May 2022 that a dividend of CHF 15.00 per share (CHF is the statutory currency of Phoenix Mecano AG) be paid out (see Proposal for the appropriation of retained earnings on page 94). The total outflow of funds is expected to be EUR 13.9 million. The dividend paid out in 2021 was CHF 8.00 per share (previous year: CHF 10.00). The outflow of funds in 2021 was EUR 7.1 million (previous year: EUR 9.1 million).

BDO

REPORT OF THE STATUTORY AUDITOR

To the General Meeting of
Phoenix Mecano AG, Stein am Rhein

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Phoenix Mecano AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2021 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial state-ments, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements (pages 47 to 85) give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

BDO Ltd, Schiffbaustrasse 2, 8031 Zurich
BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were ad-dressed 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment	
Phoenix Mecano AG conducts impairment tests on intangible assets, tangible assets and goodwill (in the shadow statement) per cash-generating unit (CGU) whenever there are indications of an impairment.	We obtained an analysis of potential indicators of impairment of CGUs in the Group, reviewed them critically and discussed them with management. The definition of CGUs was critically assessed regarding compliance with SWISS GAAP FER.
We have considered the assessment of potential impairment of intangible assets, property, plant and equipment and goodwill to be a key audit matter for the following reasons:	For those CGUs that were subject to an impairment test due to indicators of impairment, we critically assessed the expected future cash flows, verified the arithmetical accuracy of the calculation of the value in use and critically assessed the discount rates used.
Discretionary decisions exist in assessing whether indicators are identifiable as well as in determining the assumptions about the future results and cash flows of the CGUs as well as in determining the discount rate.	The methodology of the impairment test corresponds to the previous year and was verified by an internal expert in the previous years. In the current year, the internal expert was consulted for the assessment of one specific CGU.
The approach to impairment losses is set out in the consolidation and valuation principles. Further disclosures are included in Note 7 "Tangible assets", Note 8 "Intangible assets" and Note 41 "Shadow statement of goodwill".	We compared and critically assessed the methodology with the requirements of Swiss GAAP FER and reviewed the correct disclosure in the consolidated financial statements.

Responsibility of the Board of Directors for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

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

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

Zurich, March 25, 2022
BDO Ltd

Christoph Tschumi Auditor in Charge Licensed Audit Expert	David Hämmerli Licensed Audit Expert

FIVE-YEAR OVERVIEW

in 1000 EUR	2021	2020	2019	2018	2017
CONSOLIDATED BALANCE SHEET					
Total assets	616 997	544 966	488 119	453 427	471 848
Non-current assets	166 483	151 621	152 506	147 345	182 292
in % of total assets	27.0	27.8	31.2	32.5	38.6
Tangible assets	140 682	129 556	136 441	130 125	127 614
Current assets	450 514	393 345	335 613	306 082	289 556
in % of total assets	73.0	72.2	68.8	67.5	61.4
Inventories	181 131	157 111	148 046	148 513	131 832
Cash and cash equivalents	99 589	77 187	60 052	53 244	53 509
Equity	244 245	192 347	217 346	268 008	269 702
in % of total assets	39.6	35.3	44.5	59.1	57.2
Liabilities	372 752	352 619	270 773	185 419	202 146
in % of total assets	60.4	64.7	55.5	40.9	42.8
Net indebtedness	80 527	115 421	88 127	33 943	38 075
in % of equity	33.0	60.0	40.5	12.7	14.1
CONSOLIDATED STATEMENT OF INCOME					
Gross sales	816 994	687 442	679 993	650 784	627 600
Sales revenue (net sales)	809 590	682 126	674 004	645 015	621 663
Total operating performance	826 597	696 093	683 145	655 872	629 710
Personnel expenses	219 837	205 869	213 150	195 453	193 869
Depreciation on tangible assets	18 880	19 514	19 838	18 661	19 382
Amortisation of intangible assets	3 418	2 926	3 069	3 637	8 578
Operating result	43 944	22 430	23 350	51 340	30 711
Financial result	–1 728	–5 829	–2 465	–3 338	–474
Result before tax	42 216	16 601	20 885	48 002	30 237
Income tax	12 104	7 721	6 966	11 893	8 308
Result of the period	30 112	8 880	13 919	36 109	21 929
in % of gross sales	3.7	1.3	2.0	5.5	3.5
in % of equity	12.3	4.6	6.4	13.5	8.1
CONSOLIDATED STATEMENT OF CASH FLOW					
Cash flow from operating activities	54 841	27 783	43 560	37 928	37 062
Cash used in investing activities	–28 200	–39 101	–44 519	–17 992	–26 629
Purchases of tangible and intangible assets	29 552	27 761	26 142	25 596	25 997
Cash flow from financing activities	–9 628	29 733	7 626	–19 973	1 129
Free cash flow	26 877	10 350	17 964	12 925	11 425

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly. The year 2017 is presented according to IFRS.

PHOENIX MECANO AG
BALANCE SHEET AS AT 31 DECEMBER 2021

ASSETS

	Note	2021 in EUR	2020 in EUR	2021 in CHF	2020 in CHF
CURRENT ASSETS					
Cash and cash equivalents		22 946 620	18 871 091	23 705 186	20 489 784
Other short-term receivables					
due from investments	2.1	57 627 974	29 902 405	59 533 031	32 467 324
due from third parties		66 000	208 500	68 182	226 384
Deferred charges and prepaid expenses		230 173	107 833	237 782	117 083
Total current assets		**80 870 767**	**49 089 829**	**83 544 181**	**53 300 575**
NON-CURRENT ASSETS					
Financial assets					
Loans to investments	2.2	63 860 000	68 969 000	65 971 074	74 884 908
Other loans		49 500	178 500	51 137	193 811
Investments					
Investments	2.3	262 126 865	270 734 543	270 792 216	293 957 158
Value adjustment on investments		–7 176 360	–10 165 338	–7 413 595	–11 037 283
Total non-current assets		**318 860 005**	**329 716 705**	**329 400 832**	**357 998 594**
Total assets		**399 730 772**	**378 806 534**	**412 945 013**	**411 299 169**

EQUITY AND LIABILITIES

	Note	2021 in EUR	2020 in EUR	2021 in CHF	2020 in CHF
SHORT-TERM LIABILITIES					
Other short-term liabilities					
Bank liabilities	2.4	2 936 000	29 605 000	3 033 058	32 144 408
to investments	2.5	30 067 733	20 507 792	31 061 707	22 266 875
to third parties		0	13 573	0	14 738
to shareholders		562	512	582	556
Short-term provisions	2.6	487 688	1 363 412	503 809	1 480 361
Deferred income		767 996	675 342	793 385	733 270
Short-term liabilities		**34 259 979**	**52 165 631**	**35 392 541**	**56 640 208**
LONG-TERM LIABILITIES					
Long-term interest-bearing liabilities	2.4	74 500 000	44 831 000	76 962 810	48 676 439
Long-term provisions	2.6	8 596	8 178	8 880	8 880
Long-term liabilities		**74 508 596**	**44 839 178**	**76 971 690**	**48 685 319**
Total liabilities		**108 768 575**	**97 004 809**	**112 364 231**	**105 325 527**
EQUITY					
Share capital	2.7	851 961	851 961	960 500	960 500
Statutory retained earnings					
General statutory retained earnings		2 217 493	2 217 493	2 500 000	2 500 000
Voluntary retained earnings					
Special reserves		80 326 203	80 326 203	90 559 724	90 559 724
Retained earnings	2.8				
– Amount brought forward		191 882 907	175 737 929	204 805 667	187 589 028
– Net profit for the year		15 760 479	22 861 685	17 038 356	24 477 179
– Currency translation differences				–15 197 326	104 918
Treasury shares	2.9	–76 846	–193 546	–86 139	–217 707
Total equity		**290 962 197**	**281 801 725**	**300 580 782**	**305 973 642**
Total equity and liabilities		**399 730 772**	**378 806 534**	**412 945 013**	**411 299 169**

PHOENIX MECANO AG
STATEMENT OF INCOME 2021

	Note	2021 in EUR	2020 in EUR	2021 in CHF	2020 in CHF
Dividend income	2.10	17 086 678	26 644 588	18 472 085	28 527 396
Other financial income	2.11	3 692 737	3 265 632	3 992 148	3 496 395
Other operating income	2.12	1 260 358	2 237 327	1 362 549	2 395 425
Total income		**22 039 773**	**32 147 547**	**23 826 782**	**34 419 216**
Personnel expenses	2.13	– 1 399 908	– 1 255 272	– 1 513 414	– 1 343 975
Financial expense	2.14	– 1 982 077	– 1 986 397	– 2 142 786	– 2 126 763
Administration expenses		– 1 147 707	– 1 783 310	– 1 240 764	– 1 909 326
Other operating expenses	2.15	– 1 521 253	– 3 010 359	– 1 644 598	– 3 223 082
Losses on investments	2.16	0	– 1 175 970	0	– 1 259 069
Direct taxes		– 228 349	– 74 554	– 246 864	– 79 822
Total expenses		**– 6 279 294**	**– 9 285 862**	**– 6 788 426**	**– 9 942 037**
Net profit for the year		**15 760 479**	**22 861 685**	**17 038 356**	**24 477 179**

PPHOENIX MECANO AG
NOTES TO THE FINANCIAL STATEMENTS 2021

1 DETAILS OF THE PRINCIPLES APPLIED IN THE FINANCIAL STATEMENTS

These financial statements have been drawn up in accordance with the provisions of Swiss financial reporting law (Title 32 of the Swiss Code of Obligations).

The functional currency is EUR, given that a significant proportion of transactions take place in EUR.

The balance sheet and statement of income are also shown in CHF. The assets and liabilities are converted at the closing rate for each balance sheet date, equity items at historical exchange rates, and income and expenses on the statement of income at the average exchange rate. Any resulting translation differences are posted as a separate item in equity under Voluntary retained earnings. For the presentation of the balance sheet as at 31 December 2021, the closing rate of 0.968 was used to convert from EUR to CHF. The 2021 statement of income was converted from EUR to CHF at the Phoenix Mecano Group’s average exchange rate for the year of 0.925. Comparative information from the previous year was converted from CHF to EUR at the closing rate on 31 December 2020, namely 0.921, or at the average exchange rate of 0.934.

2 INFORMATION, BREAKDOWNS AND EXPLANATIONS RELATING TO ITEMS ON THE BALANCE SHEET AND IN THE STATEMENT OF INCOME

2.1 Other short-term receivables from investments

This item comprises short-term financial receivables (including balances on clearing accounts) in CHF, EUR and USD from subsidiaries in Switzerland and abroad.

2.2 Loans to investments

This item includes long-term loans in EUR (and in the previous year also in USD) to subsidiaries in Switzerland and abroad.

2.3 Investments and the share of the capital and votes held

The following list shows all investments directly held by Phoenix Mecano AG:

Company	Head office	Activity	Currency	Registered capital in 1 000	2021 Stake in %	2020 Stake in %
Phoenix Mecano Management AG	Kloten, Switzerland	Finance	CHF	50	100	100
Phoenix Mecano Trading AG	Stein am Rhein, Switzerland	Purchasing	CHF	100	–	100
Phoenix Mecano Komponenten AG	Stein am Rhein, Switzerland	Production/Sales	CHF	2 000	100	100
IFINA Beteiligungsgesellschaft mbH	Porta Westfalica, Germany	Finance	EUR	4 000	100	100
Phoenix Mecano B.V.	Doetinchem, the Netherlands	Sales	EUR	1 000	100	100
AVS Phoenix Mecano GmbH	Vienna, Austria	Sales	EUR	40	1	1
Phoenix Mecano Kecskemét KFT	Kecskemét, Hungary	Production/Finance	EUR	40 000	100	100
Phoenix Mecano Inc.	Frederick, USA	Production/Sales	USD	10 000	100	100
W-IE-NE-R Power Electronics GmbH	Springfield, USA	Sales	USD	100	100	100
Phoenix Mecano S. E. Asia Pte Ltd.	Singapore	Sales	SGD	1 000	100	100
Phoenix Mecano (India) Pvt. Ltd.	Pune, India	Production/Sales	INR	299 452	100	100
Mecano Components (Shanghai) Co., Ltd.	Shanghai, China	Production/Sales	USD	3 925	100	100
PTR HARTMANN (Shaoguan) Co., Ltd.	Shaoguan City, China	Production/Sales	CNY	70 000	100	100
Phoenix Mecano Hong Kong Ltd.	Hong Kong, China	Finance/Sales	EUR	69 051	100	100
Phoenix Mecano Holding Ltda.	Barueri, Brazil	Finance	BRL	1 062	100	100
Phoenix Mecano Components (Taicang) Co. Ltd.	Taicang, China	Production/Sales	USD	10 000	–	100
Phoenix Mecano Maroc S.à.r.l. in liquidation	Tétouan, Morocco	Production	MAD	34 000	100	100
Phoenix Mecano OOO	Moscow, Russia	Sales	RUB	21 300	100	100
Phoenix Mecano Saudi Arabia LLC	Dammam, Saudi Arabia	Sales	SAR	3 000	100	100
Phoenix Mecano Elcom S.à.r.l.	Zaghouan, Tunisia	Production	TND	5 000	100	100
Phoenix Mecano Hartu S.à.r.l. in liquidation	Ben Arous, Tunisia	Production	TND	2 500	100	100
Phoenix Mecano Digital Tunisie S.à.r.l.	Bori-Cedria, Tunisia	Production	TND	100	100	100

The EUR 8.6 million change in the balance sheet value compared with the previous year is the result of the liquidation of a subsidiary in China and the loss of a Swiss subsidiary due to a merger.

An overview of all directly and indirectly held investments is given on page 60 ff.

2.4 Bank loans/Bank liabilities

Loans from financial institutions exist in the following currencies and with the following maturities:

in 1000 EUR	2021	2020
BY CURRENCY		
CHF	1 936	5 526
EUR	75 500	56 700
USD	0	12 210
Balance sheet value	**77 436**	**74 436**
BY MATURITY		
in 1 year	2 936	29 605
in 2 years	2 000	12 831
in 3 years	30 000	2 000
in 4 years	0	30 000
in 5 years	42 500	0
Balance sheet value	**77 436**	**74 436**

In the reporting year, a promissory note loan for EUR 42.5 million was issued and a promissory note loan in USD was repaid early.

2.5 Financial liabilities to investments

This item comprises short-term financial liabilities (including debits in clearing accounts and liabilities from pool clearing accounts) in CHF, EUR and USD to subsidiaries in Switzerland and abroad.

2.6 Provisions

This item includes provisions for bonuses, holiday credits and service anniversaries. In the previous year, there were still risks from derivative financial instruments totalling EUR 1.2 million, used for structuring external debts or for currency management purposes.

2.7 Share capital

The share capital is divided into 960 500 bearer shares with a par value of CHF 1.00 each. The conversion into EUR took place at the closing rate on 31 December 2018, giving a total of EUR 851 961.

2.8 Retained earnings

Financial year 2021 closed with a net profit for the year of EUR 15 760 479, which was converted for presentation in CHF at the average exchange rate for 2021 of 0.925. The retained earnings brought forward from the previous year totalled EUR 198 599 614 minus a gain of EUR 293 905 from the merger of Phoenix Mecano Trading AG and dividends of EUR 7 010 612. The ordinary Shareholders' General Meeting on 20 May 2022 therefore has at its disposal retained earnings totalling EUR 207 643 386. For the Board of Directors' proposal regarding the appropriation of retained earnings, see page 94.

2.9 Treasury shares

At the balance sheet date, the company owned a total of 189 treasury shares (previous year: 491), which are booked at acquisition cost using the FIFO method. These shares represent 0.02 % of the overall share portfolio. The shares sold in the reporting year are shown in the table below. Gains and losses on the disposal of treasury shares are recognised in the statement of income under Other financial income (EUR 13 605). No purchases were made.

	Purchases number	Average price CHF	Sales number	Average price CHF
2021				
February			130	465.45
June			172	480.16
Total year	**0**		**302**	**473.83**

2.10 Dividend income

Dividend income comprises dividends paid by subsidiaries in Switzerland and abroad.

2.11 Other financial income

Other financial income includes earnings from interest and commissions, as well as the reversal of a provision for risks from derivative financial instruments. In the previous year, it includes net exchange rate gains of EUR 0.94 million (exchange gains of EUR 3.79 million minus exchange losses of EUR 2.85 million).

2.12 Other operating income

Other operating income includes book profits from the transfer of investments within the Group as well as cost transfers within the Group.

2.13 Personnel expenses

This item results from the transfer of four employees from Phoenix Mecano Management AG as of 1 January 2020.

2.14 Financial expense

This item comprises interest and securities expenses as well as expenses for derivative financial instruments. In the reporting year, it also includes net exchange rate losses of EUR 0.26 million (exchange losses of EUR 2.08 million minus exchange gains of EUR 1.82 million).

2.15 Other operating expenses

In the reporting year, other operating expenses include a value adjustment on loans to a subsidiary totalling EUR 1.5 million. In the previous year, this item includes a value adjustment on an investment in a subsidiary in liquidation totalling EUR 3.0 million.

2.16 Loss on investments

The loss on investments in the previous year includes a EUR 1.2 million loss from the sale of an investment.

2.17 Net release of hidden reserves

The statement of income does not include any net release of hidden reserves in the reporting year or the previous year.

3 OTHER INFORMATION REQUIRED BY LAW

There is a subordination to commitments entered into by a subsidiary for the amount of EUR 1.5 million.

3.1 Full-time positions

There are fewer than 10 full-time positions at Phoenix Mecano AG.

3.2 Contingent liabilities

in 1000 EUR	2021	2020
Guarantees and letters of comfort	229 710	222 985

Contingent liabilities are given for subsidiaries, predominantly in favour of financial institutions. The actual book value of Group company liabilities was EUR 84.7 million (previous year: EUR 85.0 million). A letter of support was also issued for one subsidiary. In addition, Phoenix Mecano AG has entered into a joint guarantee with its Swiss subsidiaries for the purposes of registration for Group VAT taxation. (not DewertOkin AG)

3.3 Significant shareholders

As at the balance sheet date, significant shareholders held the following stakes in the share capital of Phoenix Mecano AG:

Name in %	Head office	2021	2020
Planalto AG [2]	Luxembourg, Luxembourg	34.6 [1]	34.6 [1]
Tweedy, Browne Company LLC, Stamford, USA [3]	Stamford, USA	8.5 [1]	8.5 [1]
Tweedy, Browne Global Value Fund [4] (A subdivision of Tweedy, Browne Fund Inc.)	*Stamford, USA*	*7.2 [1]*	*7.2 [1]*
J. Safra Sarasin Investmentfonds AG (formerly Sarasin Investmentfonds AG)	Basel, Switzerland	5.1 [1]	5.1
Credit Suisse Funds AG	Zurich, Switzerland	3.9	< 3
UBS Fund Management (Switzerland) AG	Basel, Switzerland	3.8	[1]

1 Shareholding not notified in the year indicated.
2 The economic beneficiary and person entitled to exercise voting rights is Gisela Goldkamp. The owner of the voting rights is Benedikt A. Goldkamp.
3 Tweedy, Browne Company LLC (TBC) is not an economic beneficiary owner of the shares. TBC has been delegated voting authority pursuant to separate investment advisory agreements. Please note that included in the shares reported with this filing are 68 640 shares held by Tweedy, Browne Global Value Fund, a direct acquirer and economic beneficiary.
4 Pursuant to an investment advisory agreement between Tweedy, Browne Global Value Fund (TBGVF) and TBC, TBGVF has delegated voting authority with respect to 68 640 bearer shares in Phoenix Mecano AG to TBC. TBC is not an economic beneficiary of any of the shares. TBGVF is the sole economic beneficiary of the shares.

This information is based on notifications by the aforementioned shareholders. Individual notifications can be viewed at the following link of SIX Swiss Exchange: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

3.4 Auditors' fees

The amount agreed for auditing the 2021 annual accounts was CHF 97 000 (EUR 89 700) plus cash expenses for the individual financial statements and for the consolidated financial statements.

3.5 Share ownership by members of the Board of Directors and management and persons related to them

Name	Position	Number 31.12.2021	Number 31.12.2020
Benedikt A. Goldkamp	Chairman of the Board of Directors	6 486	5 386
Ulrich Hocker	Independent Lead Director	8 898	8 898
Dr Florian Ernst	Board Member	10	10
Dr Martin Furrer	Board Member	200	100
Beat Siegrist	Board Member	807	807
Shares held by the Board of Directors		**16 401**	**15 201**
Dr Rochus Kobler	Member of the management/CEO	1 314	1 214
René Schäffeler	Member of the management/CFO	1 000	850
Shares held by the management		**2 314**	**2 064**

In addition, Planalto AG, Luxembourg, which is owned by the Goldkamp family, holds a 34.6 % stake (previous year: 34.6 %).

Related persons and companies are considered to be family members as well as any individuals or companies capable of being significantly influenced.

Aside from the compensation paid to the Board of Directors and the management and the standard contributions to pension funds, no significant transactions with related persons or companies took place.

3.6 42 Events after the balance sheet date

No events occurred between 31 December 2021 and 25 March 2022 that would alter the book values of Phoenix Mecano AG's assets and liabilities or should be disclosed under this heading.

There are no further matters requiring disclosure under Article 959c of the Swiss Code of Obligations.

PROPOSAL FOR THE APPROPRIATION OF RETAINED EARNINGS

	in EUR	in CHF
Net income for the year 2021	15 760 479	17 038 356
Retained earnings brought forward 2020	198 599 614	212 171 125
Merger gain	293 905	315 654
./. Dividend 2020	– 7 010 612	– 7 681 112
Currency translation differences		– 15 197 326
Retained earnings	**207 643 386**	**206 646 697**

The Board of Directors proposes to the Shareholders' General Meeting that retained earnings should be distributed as follows:

	in EUR	in CHF
Dividend of CHF 15.00 per share[1]	13 946 460	14 407 500
Carried forward to new account	193 696 926	192 239 197
Total	**207 643 386**	**206 646 697**

1 Total dividends are calculated based on the 960 500 bearer shares.
Dividends will not be paid on treasury shares held by the company at the time of the payout.

BDO

REPORT OF THE STATUTORY AUDITOR

To the General Meeting of
Phoenix Mecano AG, Stein am Rhein

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion the financial statements (pages 89 to 94) as at December 31, 2021 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

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

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

Responsibility of the Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

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

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

Zurich, March 25, 2022
BDO Ltd

Christoph Tschumi Auditor in Charge Licensed Audit Expert	David Hämmerli Licensed Audit Expert

ANNEX

Addresses

FINANCE, SERVICE AND OTHER COMPANIES

SWITZERLAND
Phoenix Mecano Management AG
Lindenstrasse 23
CH-8302 Kloten
Phone +41/43/255 42 55
Fax +41/43/255 42 56
info@phoenix-mecano.com
www.phoenix-mecano.com

BRAZIL
Phoenix Mecano Holding Ltda.
Av. Prof. Alceu Maynard
Araújo 185
CEP 04726-160 São Paulo - SP
Phone +55/11/564 341 90
vendas@dewertokin.com.br
www.dewertokin.com.br

GERMANY
IFINA Beteiligungsgesellschaft mbH
Erbeweg 13–15
D-32457 Porta Westfalica
Phone +49/571/504 11 14
Fax +49/571/504 17 114

DEWERTOKIN TECHNOLOGY GROUP

BRAZIL
DewertOkin do Brasil Ltda.
Av. Prof. Alceu Maynard
Araújo,185
CEP 04726-160 São Paulo - SP
Phone +55/11/564 341 90
vendas@dewertokin.com.br
www.dewertokin.com.br

GERMANY
BEWATEC ConnectedCare GmbH
Orkotten 65
D-48291 Telgte
Phone +49/2504/733 70
Fax +49/2504/733 71 90
www.bewatec.com
info@bewatec.com

DewertOkin GmbH
Weststrasse 1
D-32278 Kirchlengern
Phone +49/5223/979 0
Fax +49/5223/751 82
info@dewertokin.de
www.dewertokin.de

SWEDEN
DewertOkin AB
Box 172
SE-35104 Växjö
Phone +46/70/314 15 60
info@dewertokin.se
www.dewertokin.com

SWITZERLAND
DewertOkin AG
Hofwisenstrasse 6
CH-8260 Stein am Rhein
Phone +41/52/742 75 00
Fax +41/52/742 75 90

HUNGARY
DewertOkin Kft.
Szent István krt. 24.
H-6000 Kecskemét
Phone: +36/76/515 600
info@dewertokin.hu
www.dewertokin.hu

DewertOkin Services Kft.
Szent István krt. 24
H-6000 Kecskemét
Phone +36/76/515 515
Fax +36/76/414 560
info@phoenix-mecano.hu
www.phoenix-mecano.hu

USA
OKIN America Inc.
291 CDF Boulevard
Shannon, MS 38868
Phone +1/662/566 10 00
Fax +1/662/566 00 09
sales@okinamerica.com
www.okinamerica.com

URUGUAY
DewertOkin Latin America S.A.
Calle 26 de Marzo, 3438
Montevideo, 11.300
Phone +55/11/564 341 90
vendas@dewertokin.com.br
www.dewertokin.com.br

VIETNAM
Okin Vietnam Company Ltd.
Lot H5-2 (B1 Zone), D9 Street,
Rach Bap Industrial Park,
An Dien Ward, Ben Cat District,
Binh Duong Province, Vietnam
Phone +84/27/435 915 39
pm.trading@phoenix-mecano.com

PEOPLE'S REPUBLIC OF CHINA
BEWATEC Technologies Co., Ltd.
No. 5, Building 7,
No. 988 Xinxing'er Road
Pinghu Economic-Technological
Development Zone
314299 Zhejiang, China
Phone +86/573/858 505 75
Fax +86/573/858 505 97

BEWATEC (Zhejiang) Medical Equipment Co., Ltd.
Floor 2, Building 7, No. 1133,
Taoyuan Road, Gaozhao Street
Xiuzhou District, Jiaxing City,
314001 Zhejiang Province, China
Phone +86 / 400 998 0998
Fax +86 / 400 998 0998
sales@bewatec.com.cn

BEWATEC (Shanghai) Medical Device Co., Ltd.
Room 1171, zone M, Floor 11,
Building 1
No. 158 Shuanglian Road
201702 Qingpu District,
Shanghai, China
Phone +86 / 400 998 0998
Fax +86 / 400 998 0998
sales@bewatec.com.cn

DewertOkin Technology Group Co., Ltd.
No. 465, Xinnanyang Road,
Wangjianjing Development Zone,
314024 Jiaxing, Zhejiang, China
Phone +86/573/822 810 28
Fax +86/573/822 809 68
sales@refinedchina.com
www.dewertokintechnology.com

Haining MyHome Mechanism Co. Ltd
Building1, No.1 Qi'er Road,
Chang'an town, (Nongfa district)
Haining, Zhejiang
Phone +86/573/87500562
Fax +86/573/87687898

INDUSTRIAL COMPONENTS

GERMANY
Hartmann Electronic GmbH
Motorstrasse 43
D-70499 Stuttgart (Weilimdorf)
Phone +49/711/139 89 0
Fax +49/711/866 11 91
info@hartmann-electronic.com
www.hartmann-electronic.com

HPC Sekure GmbH
Im Höllbichl 7
D-82234 Wessling
Phone +49/8153/953 04 50
Fax +49/8153/953 04 49
info@hpc-sekure.de
www.der-plomben-shop.de

Phoenix Mecano Digital Elektronik GmbH
Am Schunkenhofe 7
D-99848 Wutha-Farnroda
Phone +49/36921/20 10
Fax +49/36921/20 123
info@pmde.de
www.pmde.de

PTR HARTMANN GmbH
Gewerbehof 38
D-59368 Werne
Phone +49/2389/798 80
Fax +49/2389/798 888
info@ptr-hartmann.com
www.ptr-hartmann.com

REDUR GmbH & Co KG
Neue Str. 20A
D-52382 Niederzier
Phone +49/2428/90 537-0
Fax +49/2428/90 537-21
info@redur.de
www.redur.de

GROUP HEADQUARTERS, SWITZERLAND
Phoenix Mecano AG, Hofwisenstrasse 6, CH-8260 Stein am Rhein
www.phoenix-mecano.com

RK Antriebs- und Handhabungs-Technik GmbH
Am Klaepenberg 5
D-29553 Bienenbüttel
Phone +49/5823/98 01 0
Fax +49/5283/98 01 50
vertrieb@rk-aht.de
www.rk-aht.de

RK Rose + Krieger GmbH
Potsdamer Strasse 9
D-32423 Minden
Phone +49/571/933 50
Fax +49/571/933 51 19
info@rk-online.de
www.rk-rose-krieger.com

RK Schmidt Systemtechnik GmbH
Essener Strasse 8
D-66606 St. Wendel
Phone +49/6851/80 25 50
Fax +49/6851/80 25 529
info@rk-schmidt.de
www.rk-schmidt.de

RK System- & Lineartechnik GmbH
Bahnhofstrasse 136
D-88682 Salem-Neufrach
Phone +49/7553/91 67 30
Fax +49/7553/91 67 369
info@rk-sl.de
www.rk-sl.de

W-IE-NE-R Power Electronics GmbH
Linde 18
D-51399 Burscheid
Phone +49/2174/67 80
Fax +49/2174/67 834
info@wiener-d.com
www.wiener-d.com

THE NETHERLANDS

PM Special Measuring Systems B.V.
Euregioweg 330B
NL-7532 SN Enschede
Phone: +31/537/400 740
info@pm-sms.com
www.pm-sms.com

SWEDEN

Phoenix Mecano AB
Uttervägen 6
SE-35245 Växjö
Phone: +46 470 71 79 50
info@phoenix-mecano.se
www.phoenix-mecano.se

CZECH REPUBLIC

Ismet transformátory s.r.o.
CZ- 67139 Běhařovice 100
Phone +420/515/252 576
Fax +420/515/252 578
info@ismet.cz
www.ismet.cz

TUNISIA

Phoenix Mecano Digital Tunisie S.à.r.l.
23, Rue Jamel Abdelnacer Z.I.
TN-2084 Borj Cedria
Phone +21/671/430 666
Fax +21/671/430 695

Phoenix Mecano ELCOM S.à.r.l.
4, Rue Élétronique Z.I.
2 Djebel Ouest
TN-1111 Zaghouan
Phone +21/672/640 089
Fax +21/672/640 589

USA

Orion Technologies, LLC
12605 Challenger Pkwy
Suite 130
Orlando, FL 32826
Phone +1/407/476 21 20
Fax +1/407/203 76 59
info@oriontechnologies.com
www.oriontechnologies.com

Tefelen LLC
7330 Executive Way
Frederick, MD 21704
Phone +1/301/696 94 11
Fax +1/301/696 94 94
info@tefelenamerica.com

W-IE-NE-R Power Electronics
Corp.202 N. Limestone Street,
Suite 320
Springfield, OH 45503
Phone +1/937/32 424 20
Fax +1/937/32 424 25
sales@wiener-us.com
www.wiener-us.com

PEOPLE'S REPUBLIC OF CHINA

PTR HARTMANN (Shaoguan) Co., Ltd.
No. 19 Le Yuan Road
Lechang Industrial Zone
Shaoguan City
GuangDong Province
Phone +86/751/55 666 36
Fax +86/751/55 666 31
info@ptr-hartmann.cn
www.ptr-hartmann.cn

ENCLOSURE SYSTEMS

GERMANY

Bopla Gehäuse Systeme GmbH
Borsigstrasse 17–25
D-32257 Bünde
Phone +49/5223/969 0
Fax +49/5223/969 100
info@bopla.de
www.bopla.de

Kundisch GmbH & Co. KG
Steinkirchring 56
D-78056 Villingen-Schwenningen
Phone +49/7720/976 10
Fax +49/7720/976 122
info@kundisch.de
www.kundisch.de

Rose Systemtechnik GmbH
Erbeweg 13–15
D-32457 Porta Westfalica
Phone +49/571/504 10
Fax +49/571/504 16
rose@rose-pw.de
www.rose-pw.de

PRODUCTION AND SALES COMPANIES

AUSTRALIA

Phoenix Mecano Australia Pty Ltd.
64 Butler Way
Tullamarine
Victoria 3043
Phone +61/3/933 856 99
Fax +61/3/933 853 99
office@phoenix-mecano.com.au
www.phoenix-mecano.com.au

BELGIUM

Phoenix Mecano NV
Karrewegstraat 124
B-9800 Deinze
Phone +32/9/220 70 50
Fax +32/9/220 72 50
info.pmb@pmk.be
www.phoenix-mecano.be

DENMARK

Phoenix Mecano ApS
Alsion 2
DK-6400 Sønderborg
Phone +45/70/70 20 29
info@phoenix-mecano.dk

FRANCE

Phoenix Mecano S.à.r.l.
76 rue du Bois Galon
F-94124 Fontenay-sous-Bois, Cedex
Phone +33/1/539 950 50
Fax +33/1/539 950 76
info.pmf@phoenix-mecano.fr
www.phoenixmecano.fr

UNITED KINGDOM

Phoenix Mecano Ltd.
26 Faraday Road
Aylesbury
GB-Buckinghamshire HP19 8RY
Phone +44/1296/61 16 60
Fax +44/1296/48 62 96
info@pmgb.co.uk
www.phoenix-mecano.co.uk

INDIA

Phoenix Mecano (India) Pvt. Ltd.
388 Bhare, Taluka Mulshi
Pirangut Industrial Area
Pune 412115
Phone +91/20/667 450 00
Fax +91/20/667 451 26
info@phoenixmecano.in
www.phoenixmecano.co.in

ITALY

Phoenix Mecano S. r. l.
Viale Virgilio, 54
I-41123 Modena
Phone +39/02/953 153 50
Fax +39/02/953 102 65
info.pmi@phoenix-mecano.com
www.phoenix-mecano.it

KOREA (SOUTH KOREA)

Phoenix Mecano Korea Co., Ltd.
#1011, 90 Centum jungang-ro,
Haeundae-gu, Busan 48059
Phone +82/51/517 6924
Fax +82/51/517 6925
info@pmecano.co.kr
www.pmecano.co.kr

THE NETHERLANDS
Phoenix Mecano B.V.
Havenstraat 100
NL-7005 AG Doetinchem
Phone +31/314/368 368
Fax +31/314/368 378
info@pmkomponenten.nl
www.pmkomponenten.nl

AUSTRIA
AVS Phoenix Mecano GmbH
Biróstrasse 17
A-1230 Wien
Phone +43/1/6150 801
Fax +43/1/6150 801 130
info@avs-phoenix.at
www.avs-phoenix.at

ROMANIA
Phoenix Mecano Plastic S.r.l.
Europa Unita Nr. 10
RO- 550018 Sibiu
Phone +402/69/241 055
Fax +402/69/241 210
pm.office@phoenix-mecano.ro

RUSSIA
Phoenix Mecano OOO
Sosnovaya alleya 6A,
Building 1, Office 31
RUS-124489 Zelonograd, Moskau
Phone +7/495/984 25 11
Fax +7/495/988 76 21
orders@rose-rf.ru
www.rose-rf.ru

SAUDI ARABIA
Phoenix Mecano
Saudi Arabia LLC
Building No. 3267, King Abdul
Aziz Road, Unit No.1
Dharan- 3451, Dammam
Phone +966/53/337 82 11
sales.pmksa@gmail.com

SWITZERLAND
Phoenix Mecano
Komponenten AG
Hofwisenstrasse 6
CH-8260 Stein am Rhein
Phone +41/52/742 75 00
Fax +41/52/742 75 90
info@phoenix-mecano.ch
www.phoenix-mecano.ch

SINGAPORE
Phoenix Mecano S. E.
Asia Pte Ltd.
53 Ubi Ave 3, #04-01
Travelite Building
Singapore 408863
Phone +65/674 916 11
Fax +65/674 967 66
+65/674 967 49
pmsea@pmecano.com.sg
www.phoenixmecano.com.sg

SPAIN
Sistemas Phoenix Mecano
España S.A.
C/ Tarento, N°15
Plataforma Logística PLAZA
E-50197 Zaragoza
Phone +34/976/786 080
info@phoenix-mecano.es
www.phoenix-mecano.es

TAIWAN
Branch office of
Phoenix Mecano S.E.
Asia Pte Ltd.
Rm.220, 2F., No.31, Sec2,
Nanchang Rd., Zhongzheng Dist.,
Taipei City 100, Taiwan, R.O.C.
Phone +886/2/2725 2627
Fax +886/2/2725 2575
pmtwn@pmecano.com.tw

HUNGARY
Phoenix Mecano
Kecskemét Kft.
Szent István krt. 24
H-6000 Kecskemét
Phone +36/76/515 500
Fax +36/76/414 560
info@phoenix-mecano.hu
www.phoenix-mecano.hu

USA
Phoenix Mecano Inc.
7330 Executive Way
Frederick, MD 21704
Phone +1/301/696 94 11
Fax +1/301/696 94 94
PMinfo@pm-usa.com
www.pm-usa.com

Branch office of
Phoenix Mecano Inc.
13913 Magnolia Avenue
Chino, CA 91710
Phone +1/800/325 39 91
Fax +1/909/465 01 60
PMinfo@pm-usa.com
www.pm-usa.com

UNITED ARAB
EMIRATES
Rose Systemtechnik
Middle East (FZE)
Warehouse No. Q4-102,
SAIF Zone
P.O. Box 8993
Sharjah – U.A.E.
Phone +971/6/557 85 00
Fax +971/6/557 85 50
info@rosemiddleeast.com
www.rose-systemtechnik.com

PEOPLE'S REPUBLIC OF CHINA
Mecano Components
(Shanghai) Co.,Ltd.
No. 1001, Jiaqian Road
Nanxiang Town Jiading District
201802 Shanghai
Phone +86/21/691 765 90
Fax +86/21/691 765 32
info@mecano.com.cn
www.mecano.com.cn

Phoenix Mecano
Hong Kong Ltd.
Rm. 09, 9/F, New City Centre
2 Lei Yue Mun Road
Kwun Tong, Kowloon,
Hong Kong
Phone +86/852/272 777 90
Fax +86/852/272 778 92
info@phoenix-mecano.hk

FINANCIAL CALENDAR

17 FEBRUARY 2022 7.00 a.m.	MEDIA RELEASE Preliminary full-year results 2021	
21 APRIL 2022 7.00 a.m.	MEDIA RELEASE Results 2021, Q1 results 2022	Publication of Annual Report 2021
10.30 a.m.	ANNUAL RESULTS PRESENTATION Results 2021, Q1 results 2022	Widder Hotel, Zurich, and Webcast
20 MAY 2022 3.00 p.m.	SHAREHOLDERS' GENERAL MEETING	Vienna House zur Bleiche, Schaffhausen
11 AUGUST 2022 7.00 a.m.	MEDIA RELEASE Half-year results 2022	Half-year Report 2022
2 NOVEMBER 2022 7.00 a.m.	MEDIA RELEASE Q3 results 2022	

FURTHER INFORMATION

Benedikt A. Goldkamp
Chairman of the Board
of Directors

Dr Rochus Kobler
Chief Executive Officer

Philipp Eberhard
Corporate Communications/
Investor Relations

Phone +41 43 255 42 55
info@phoenix-mecano.com
www.phoenix-mecano.com

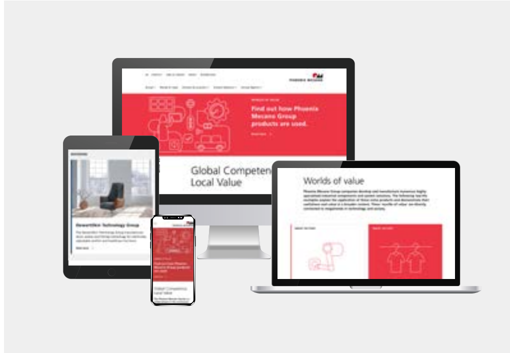
GROUP HEADQUARTERS

Phoenix Mecano AG
Hofwisenstrasse 6
Postfach
8260 Stein am Rhein

CONTACT ADDRESS

Phoenix Mecano Management AG
Lindenstrasse 23
8302 Kloten
Phone +41 43 255 42 55
info@phoenix-mecano.com
www.phoenix-mecano.com

MULTIMEDIA



phoenix-mecano.com/en/annual-reports

In the interests of sustainability, Phoenix Mecano keeps the print run of its Annual Report as small as possible, focusing instead on value-added multimedia content.

Detailed information is available online and can be accessed and used at any time:
- Video interview with Benedikt A. Goldkamp, Chairman of the Board of Directors and Dr Rochus Kobler, CEO
- Short report
- Interactive chart tool
- Download centre

IMPRINT

Editor
Ruoss Markus
Corporate Communications
8808 Pfäffikon

Content concept and consulting
Walter Steiner
Steiner Kommunikationsberatung
8142 Uitikon

Support with sustainability reporting
Nathalie Benkert
Amstein + Walthert AG
8050 Zurich

Concept, design, consulting and realisation
Linkgroup AG
8008 Zurich

Illustrations
Franco Troxler
Linkgroup AG
8008 Zurich

Photography
Julius Hatt
Julius Hatt Photographer
8224 Löhningen

This annual report is also available in German. The German version is binding.