

Pro forma financial information of the Burkhalter Group for the financial year ending on 31 December 2021

Unaudited pro forma financial information



Pro forma balance sheet as at 31 December 2021

	Pro forma adjustments ³⁾				Pro forma financial information
	Burkhalter Group historical financial information ¹⁾	poenina Group adjusted historical financial information ²⁾	Capital increase incl. transaction costs	Consolidation	
Assets (in TCHF)	31.12.2021				
Intangible assets	1,282	1,880			3,162
Property, plant and equipment	24,361	20,681			45,042
Financial assets	2,305	2,975			5,280
Deferred tax assets	1,060	658			1,718
Total non-current assets	29,008	26,194	–	–	55,202
Inventories	9,398	8,274			17,672
Receivables from work in progress	75,638	36,693			112,331
Trade receivables	61,560	53,220			114,780
Other current receivables	3,283	1,326			4,609
Prepayments	10,761	7,366			18,127
Income tax assets	1,529	12			1,541
Securities	121	–			121
Cash and cash equivalents	41,403	32,170			73,573
Settlement account	–	–	307,146	–307,146	–
Total current assets	203,693	139,060	307,146	–307,146	342,753
Total assets	232,701	165,254	307,146	–307,146	397,955

¹⁾ see section 2.1

²⁾ see section 2.2

³⁾ see section 3

Pro forma balance sheet as at 31 December 2021

	Pro forma adjustments ³⁾				Pro forma financial information
	Burkhalter Group historical financial information ¹⁾	poenina Group adjusted historical financial information ²⁾	Capital increase incl. transaction costs	Consolidation	
Liabilities (in TCHF)	31.12.2021				
Share capital	240	579	169	-579	409
Capital reserves	3,923	150,443	305,477	-150,443	309,400
Treasury shares	-669	-			-669
Retained earnings / Accumulated losses	70,491	-81,906		-156,124	-167,539
Total equity before minority interests	73,985	69,116	305,646	-307,146	141,601
Minority interests	7	536			543
Total equity	73,992	69,652	305,646	-307,146	142,144
Provisions	8,385	5,957			14,342
Non-current financial liabilities	12,276	7,415			19,691
Deferred tax liabilities	4,280	-			4,280
Total non-current liabilities	24,941	13,372	-	-	38,313
Current financial liabilities	180	22,950			23,130
Liabilities from work in progress	52,468	13,181			65,649
Trade payables	22,139	25,224	1,500		48,863
Income tax payable	3,912	2,388			6,300
Other current liabilities	15,015	5,641			20,656
Prepayments	40,054	12,188			52,242
Current provisions	-	658			658
Total current liabilities	133,768	82,230	1,500	-	217,498
Total liabilities	158,709	95,602	1,500	-	255,811
Total liabilities and equity	232,701	165,254	307,146	-307,146	397,955

¹⁾ see section 2.1

²⁾ see section 2.2

³⁾ see section 3

Pro forma income statement from 1 January to 31 December 2021

	Pro forma adjustments ³⁾			Pro forma financial information
	Burkhalter Group historical financial information ¹⁾	poenina Group adjusted historical financial information ²⁾	Capital increase incl. transaction costs	
in TCHF				
1 January 2021 to 31 December 2021				
Net revenue from goods and services	548,594	377,800		926,394
Change to work in progress	-9,087	6,458		-2,629
Other operating income	5,281	259		5,540
Gains on disposal of non-current assets	752	-		752
Total operating income	545,540	384,517	-	930,057
Cost of materials	-159,129	-155,691		-314,820
Third-party services	-19,969	-48,141		-68,110
Personnel expenses	-282,690	-127,979		-410,669
Other operating expenses	-51,190	-27,130		-78,320
Earnings before interest, tax, depreciation and amortisation (EBITDA)	32,562	25,576	-	58,138
Amortisation of intangible assets	-618	-1,239		-1,857
Depreciation of property, plant and equipment	-2,602	-3,184		-5,786
Operating result (EBIT)	29,342	21,153	-	50,495
Financial income	81	53		134
Financial expenses	-354	-547		-901
Group profit before tax (EBT)	29,069	20,659	-	49,728
Income tax	-5,191	-3,798		-8,989
Group profit	23,878	16,861	-	40,739
of which attributable to shareholders	23,875	16,982		40,857
of which attributable to minority interests	3	-120		-117
Earnings per share (in CHF)				
- basic	3.99	2.93		3.99
- diluted	3.99	2.93		3.99

¹⁾ see section 2.1

²⁾ see section 2.2

³⁾ see section 3

Notes to the pro forma financial information of the Burkhalter Group for the financial year ending on 31 December 2021

1 Introduction

Burkhalter Holding Ltd (“**Burkhalter**”), which is domiciled in Zurich, and its subsidiaries together make up the **Burkhalter Group**. The Burkhalter Group is the leading one-stop provider of electrical engineering services to the construction sector (residential and non-residential buildings as well as infrastructure facilities) in Switzerland. Electrical engineering begins at the power utility company and includes all the processes that culminate in the management of electrical machines and installations for the end user. The Burkhalter Group provides these services with 49 legally independent companies at 108 locations in Switzerland.

Opfikon-based poenina holding ag (“**poenina**”) and its subsidiaries form the **poenina Group**. poenina is a leading provider of services relating to building technology and building envelopes for public buildings, residential, commercial and hotel buildings and industrial buildings in Switzerland and the Principality of Liechtenstein. Building technology at poenina includes plumbing technology, heating/cooling technology and ventilation/air-conditioning technology. Building envelopes include roofing and sheet metalwork. The poenina Group provides these services with 29 operating companies at 42 locations in Switzerland.

On 30 May 2022 (poenina) and 31 May 2022 (Burkhalter), the ordinary Shareholders' Meetings of Burkhalter and poenina will propose approving the merger of Burkhalter (as the acquiring company) with poenina (as the transferring company) and the merger agreement of 30 March 2022 (the “**merger**”).

There were no significant transactions between the Burkhalter Group and the poenina Group in the 2021 financial year.

Burkhalter will ask the Shareholders' Meeting on 31 May 2022 to approve a dividend payment of CHF 3.80 per share. poenina will ask the Shareholders' Meeting on 30 May 2022 to approve a dividend payment of CHF 2.20 per share. The dividends will be paid out on 7 June 2022. Dividend payments are not included in the pro forma financial information.

The merger is expected to be completed on 30 June 2022 (the “**transaction**”).

2 Principles of preparation

The unaudited pro forma financial information for the financial year ending on 31 December 2021 (the “**pro forma financial information**”) comprises Burkhalter and its subsidiaries as well as poenina and its subsidiaries (collectively the “**Group**”). This pro forma financial information represents the historical financial information of the legal entities that were part of the Group as at 31 December 2021.

The pro forma financial information was prepared solely for the purposes of the Burkhalter Holding Ltd prospectus dated 30 June 2022 (the “**prospectus**”) and was prepared in accordance with the provisions of the guidelines on pro forma financial information from SIX Exchange Regulation AG dated 13 January 2020.

The pro forma financial information was prepared to present the transaction as if it had taken place for the purposes of the pro forma income statement on 1 January 2021. For the purposes of the pro forma balance sheet, however, the transaction is presented as if it had taken place on 31 December 2021.

In accordance with Swiss GAAP FER requirements, Burkhalter is identified as the acquiring company in the transaction. The excess of the paid purchase price including transaction costs over the net assets acquired of the poenina Group is recognised as goodwill. In accordance with the accounting principles applied by Burkhalter, goodwill is offset directly against equity (retained earnings) at the time of the transaction.

The pro forma adjustments were made exclusively for the purpose of preparing the pro forma financial information and are therefore hypothetical. The pro forma adjustments are based on available information and certain assumptions, which are considered reasonable, and are presented in note 3. Only pro forma adjustments that are objectively reasonable and can be reliably estimated were taken into account. For example, the pro forma financial information does not reflect any restructuring or integration costs that may be incurred in connection with the takeover. Nor does the pro forma financial information constitute any cost or tax savings that may result from the elimination of certain expenditures or from synergies.

The pro forma financial information therefore reflects a hypothetical situation and is for illustrative purposes only and does not, as such, provide any indication of the results of the Group's operating activities for the financial year ending on 31 December 2021. It also gives no indication of the future performance of the Group's business activities.

The pro forma financial information is only available in German.

2.1 Historical financial information used

The historical financial information in the pro forma presentation is based on the audited consolidated financial statements of Burkhalter and poenina for the financial year ending on 31 December 2021, which were drawn up in accordance with the provisions of Swiss GAAP FER. The key valuation principles were applied uniformly for both parties and are to be found in the respective consolidated financial statements, which are also included in the prospectus.

2.2 Adjustments to the historical financial information of poenina in order to align rounding and presentation

The following tables show the reconciliation of the annual financial statements as at 31 December 2021 of the poenina Group with the Burkhalter Group structure. The consolidated financial statements of poenina are drawn up in Swiss francs ("CHF") and those of Burkhalter in thousands of Swiss francs ("TCHF"). As a result, the poenina figures were converted into TCHF and adjusted to reflect Burkhalter's structure.

2.2.1 Balance sheet

The following reclassifications were made in the balance sheet.

- 1) Reclassification of income tax assets in the amount of TCHF 12 from "other current receivables" to "income tax assets"
- 2) Reclassification of deferred tax assets in the amount of TCHF 658 from "financial assets" in "deferred tax assets"
- 3) Reclassifications of income tax liabilities in the amount of TCHF 12 from "other current liabilities" and TCHF 2,376 from "deferred income" to "income tax liabilities"

Balance sheet	in CHF	in TCHF	Reclassifications		in TCHF
Cash and cash equivalents	32,169,753	32,170			32,170
Trade receivables	53,219,976	53,220			53,220
Other current receivables	1,337,558	1,338	-12	1)	1,326
Income tax assets	-	-	12	1)	12
Receivables from work in progress	36,693,013	36,693			36,693
Inventories	8,274,184	8,274			8,274
Prepayments	7,365,691	7,366			7,366
Current assets	139,060,175	139,060	-		139,060
Property, plant and equipment	20,680,905	20,681			20,681
Financial assets	3,632,941	3,633	-658	2)	2,975
Intangible assets	1,879,994	1,880			1,880
Deferred tax assets	-	-	658	2)	658
Non-current assets	26,193,840	26,194	-		26,194
Total assets	165,254,015	165,254	-		165,254
Current financial liabilities	22,950,000	22,950			22,950
Trade payables	25,223,972	25,224			25,224
Other current liabilities	5,652,754	5,653	-12	3)	5,641
Income tax payable	-	-	2,388	3)	2,388
Liabilities from work in progress	13,181,367	13,181			13,181
Current provisions	657,620	658			658
Prepayments	14,564,055	14,564	-2,376	3)	12,188
Current liabilities	82,229,768	82,230	-		82,230
Non-current financial liabilities	7,414,894	7,415			7,415
Provisions	5,957,483	5,957			5,957
Non-current liabilities	13,372,377	13,372	-		13,372
Total liabilities	95,602,145	95,602	-		95,602
Share capital	579,105	579			579
Capital reserves	150,442,784	150,443			150,443
Retained earnings	-98,888,054	-98,888			-98,888
Profit	16,981,766	16,982			16,982
Equity (excl. minority interests)	69,115,602	69,116	-		69,116
Minority interests	536,269	536			536
Equity (including minority interests)	69,651,870	69,652	-		69,652
Total liabilities and equity	165,254,015	165,254	-		165,254

2.2.2 Income statement

The following reclassifications were made in the income statement.

- 4) Reclassification of bad debts and change in del credere in the amount of TCHF 1,018 from “net revenue from goods and services” to “other operating expenses” TCHF 1,018
- 5) Reclassifications of gains on the disposal of non-current assets in the amount of TCHF 259 from “other operating expenses” to “gains on disposal of non-current assets”
- 6) Reclassifications of changes in inventories, provision for claims / losses / guarantees in the amount of TCHF 197 from “cost of materials” to “other operating expenses”
- 7) Reclassifications of third-party services in the amount of TCHF 36,888 from “cost of materials” to “third-party services”
- 8) Reclassifications of temporary employees in the amount of TCHF 11,253 from “personnel expenses” to “third-party services”
- 9) Reclassification of various financial expenses in the amount of TCHF 547 from “financial income” to “financial expenses”

Income statement	in CHF	in TCHF	Reclassifications	in TCHF
Net revenue from goods and services	376,782,009	376,782	1,018 4)	377,800
Change in work in progress	6,457,563	6,458		6,458
Gains on disposal of non-current assets	–	–	259 5)	259
Operating income	383,239,572	383,240	1,277	384,517
Cost of materials	–192,776,370	–192,776	37,085 6) / 7)	–155,691
Third-party services	–	–	–48,141 7) / 8)	–48,141
Personnel expenses	–139,231,575	–139,232	11,253 8)	–127,979
Other operating expenses	–25,655,887	–25,656	–1,474 4) / 5) / 6)	–27,130
Earnings before interest, tax, depreciation and amortisation (EBITDA)	25,575,740	25,576	–	25,576
Depreciation of property, plant and equipment	–3,183,939	–3,184		–3,184
Amortisation of intangible assets	–1,238,781	–1,239		–1,239
Operating result (EBIT)	21,153,020	21,153	–	21,153
Financial income	–494,058	–494	547 9)	53
Financial expenses	–	–	–547 9)	–547
Earnings before income taxes	20,658,962	20,659	–	20,659
Income tax	–3,797,591	–3,798		–3,798
Profit	16,861,371	16,861	–	16,861
of which attributable to Group shareholders	16,981,766	16,982		16,982
of which attributable to minority interests	–120,395	–120		–120

Capital increase incl. transaction costs

In order to process the merger, the Board of Directors of Burkhalter will propose the following to the Shareholders' Meeting on 31 May 2022: The share capital of Burkhalter is to be increased by CHF 169,098.64 from CHF 239,925.96 to CHF 409,024.60 by issuing 4,227,466 fully paid-up new shares ("new shares"), while disregarding the subscription rights of Burkhalter's existing shareholders. The new shares created are to be exchanged for the existing registered shares of poenina in accordance with the exchange rate set out in the merger agreement. A registered share of poenina with a par value of CHF 0.10 will be exchanged for 0.73 new shares. The exchange of poenina shares for new shares and the book-entry delivery of the 4,227,466 new shares as book-entry shares are expected to take place on 30 June 2022. The capital increase amount is paid in via the surplus of assets resulting from the transfer of all net assets from poenina to Burkhalter. In the case of shareholders of poenina whose holding does not equate to a whole number of Burkhalter shares according to the exchange rate, Burkhalter will acquire the corresponding fractions of one Burkhalter share for a cash payment equal to the value of the corresponding fraction, valued at the volume-weighted average price of Burkhalter shares from 22 to 28 June 2022, multiplied by the respective fraction (peak adjustment). The peak adjustment is not included in the pro forma financial information.

In the transaction-related pro forma adjustment, the capital increase is valued at the current value of the new shares. For the purpose of illustration in the pro forma financial information, the closing price as at 31 March 2022 is used. As goodwill is offset directly against equity, this has no effect on the balance sheet, income statement or earnings per share. The effective capital increase will take place at the closing price on 30 June 2022.

As at 31 March 2022, the share price closed at CHF 72.30, resulting in a capital increase of TCHF 305,646 in total (of which TCHF 169 as share capital and TCHF 305,477 as capital reserves). The capital increase will take place against the technical "settlement account", which will be eliminated in turn in the subsequent transaction-related pro forma adjustment. For the purposes of the pro forma balance sheet as at 31 December 2021, assumed transaction costs of TCHF 1,500 were recognised under trade payables.

Consolidation

As part of the capital consolidation, the technical "settlement account" is fully eliminated against equity. As of 31 December 2021, consolidated equity of TCHF 142,144 remains on the pro forma balance sheet. Consolidated equity is made up of the following:

- Share capital in the amount of TCHF 409 consisting of the historical share capital of the Burkhalter Group in the amount of TCHF 240 plus the newly created share capital in the amount of TCHF 169.
- Capital reserves in the amount of TCHF 309,400 consisting of the historical capital reserves of the Burkhalter Group in the amount of TCHF 3,923 plus the newly created capital reserves in the amount of TCHF 305,477.
- Treasury shares in the amount of TCHF – 669.

- Retained earnings and accumulated losses in the amount of TCHF – 167,539 consisting of the historical retained earnings of the Burkhalter Group in the amount of TCHF 70,491 less the offsetting of newly acquired goodwill in the amount of TCHF – 238,030.
- Minority interests in the amount of TCHF 543, consisting of the minority interests of the Burkhalter Group in the amount of TCHF 7 plus the minority interests of the poenina Group in the amount of TCHF 536.

Using the acquisition method, goodwill is defined as the excess of the consideration transferred plus transaction costs over the identifiable net assets of the poenina Group at the time of acquisition.

As no revaluations or additional assets and liabilities that can also be recognised were identified as part of the provisional purchase price allocation, the equity of the poenina Group as at 31 December 2021, as shown in the historical financial information, corresponds to the net assets on which the goodwill determination is based.

Goodwill is calculated as follows.

Derivation of goodwill (in TCHF)	
Purchase price	305,646
Transaction costs	1,500
Net assets of the poenina Group as at December 31 2021	–69,652
Minority interests of the poenina Group as at 31 December 2021	536
Goodwill	238,030

In accordance with the accounting principles applied by Burkhalter, goodwill is offset directly against equity (retained earnings) at the time of the transaction.

4 Further information

Earnings per share

The pro forma financial information assumes an increase in the number of shares, as part of Burkhalter's capital increase as at 1 January 2021, of 4,227,466 registered shares from 5,998,149 to 10,225,615 shares.

Derivation of earnings per share		2021
Group profit attributable to Burkhalter shareholders (in TCHF)		40,739
Average time-weighted number of shares outstanding (units)		10,217,331
Earnings per share (in CHF)		3.99