



V-ZUG Group



Annual Report

2021

**Bringing simplicity into your
home and creativity into
your kitchen.**

V-ZUG

Key Figures 2021

62.7 (+27.5%)

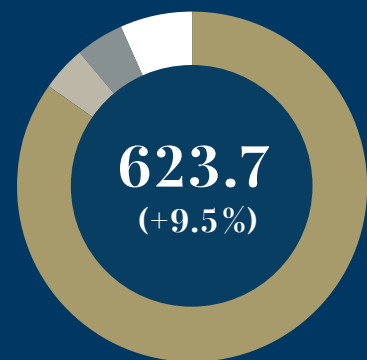
Operating result (EBIT)
in CHF million

53.1

Capital expenditure
in CHF million

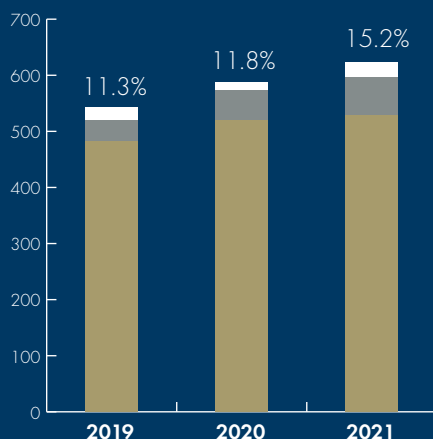
**Net sales total
and by region 2021**
in CHF million

**V-ZUG is growing in all markets
and operating result is rising
significantly.**



Net sales 2019 – 2021

in CHF million



- Switzerland
- International own brand
- International OEM business

% International Markets in % of total net sales

63.5

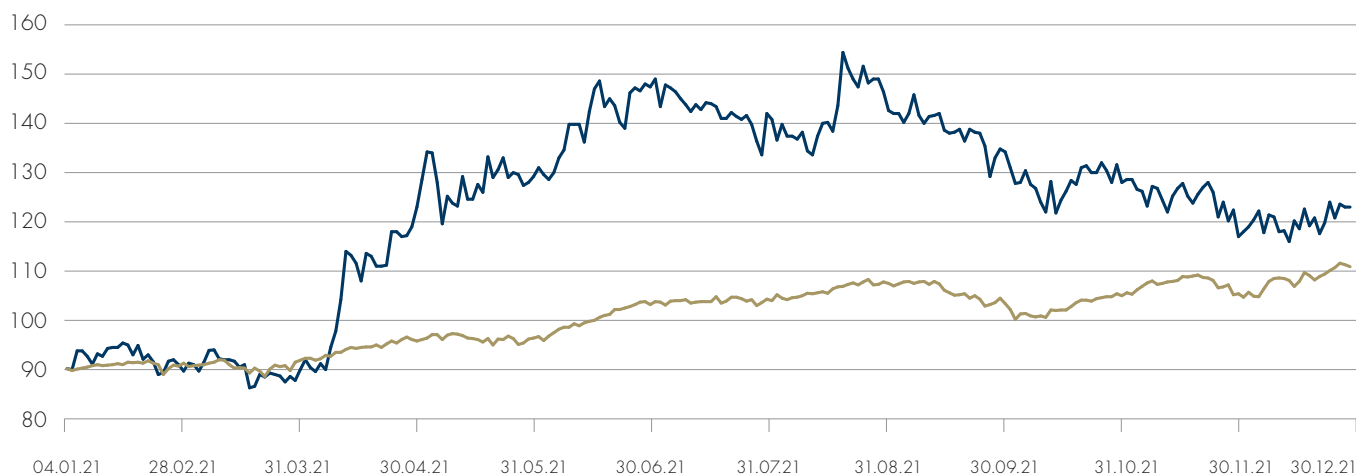
**Cash flow from
operating activities**
in CHF million

- Switzerland **529.1**
- Europe (excluding Switzerland) **26.1**
- North and South America **28.2**
- Asia/Pacific/Others **40.4**

Share information

Price development registered share V-ZUG Holding AG

(2021 financial year)



■ **SXGE** - Swiss Performance Index, SPI (adjusted)
■ **V-ZUG N** - Registered share V-ZUG Holding AG

Source: www.six-group.com (each daily closing price)

in CHF		2021	2020 ¹⁾
Number of shares in units	year end	6,428,571	6,428,571
Stock market capitalisation	year end	790,714,233	567,642,819
Data per share			
Group net result ²⁾		8.62	7.45
Cash flow from operating activities ²⁾		9.87	17.15
Shareholders' equity ²⁾		69.82	67.83
Dividend		- ³⁾	-
Stock market price	high	155.00	91.70
	low	85.50	65.50
	year end	123.00	88.30

¹⁾ Listing as of 25 June 2020.

²⁾ Based on weighted average of outstanding shares during reporting period, see p. 79.

³⁾ According to proposal of the Board of Directors.

Listing

The registered shares of V-ZUG Holding AG, domiciled in Zug, Switzerland (registered in the commercial register of the Canton of Zug under CHE-352.183.990), have been listed in the Swiss Reporting Standard of the SIX Swiss Exchange, Zurich, Switzerland, since 25 June 2020, and are included in the SPI (ticker symbol VZUG; security number 54 248 374, ISIN CH0542483745).

Important dates

28 April 2022 Annual General Meeting
 22 July 2022 Publication of Half-Year Report

Dividend policy

V-ZUG Holding AG is aiming at a dividend policy that is primarily based on the distributable profit level. Mid- and long-term, the pay-out ratio is expected to be between 20% and 40% of the Group net result. In the first three years after the spin-off from the Metall Zug Group, the available financial resources of the V-ZUG Group are to be used primarily for investments in products, markets and the production sites in Zug and Sulgen, as previously communicated in the context of the spin-off. Free cash flow in the 2021 financial year was only CHF 9.0 million so the Board of Directors is proposing to the General Meeting that no dividend be paid at present.

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Letter to shareholders

Zug, 15 March 2022

Dear shareholders

We are pleased to share with you our strong 2021 financial year.

The positive results were by no means guaranteed; in addition to the persistence of the COVID-19 pandemic, the supply chain situation became increasingly challenging over the course of the financial year, with higher purchase prices for materials and logistics.

The V-ZUG Group's ability to overcome these challenges and continue its sustainable growth trajectory is reflected in the record net sales generated in the 2021 financial year (9.5% increase in net sales). Furthermore, for the first time in its history, V-ZUG delivered more than 500,000 appliances to its customers in a single calendar year.

We also pressed ahead with several strategic transformations – site transformations that included the renovation of production facilities, internationalisation and the launch of digital solutions as part of refreshing our product range.

Another significant rise in operating result

V-ZUG Group's net sales rose compared with the previous year, standing at CHF 623.7 million (previous year CHF 569.4 million), with both the Swiss Market (+5.4%) and strong growth in the International Markets (+40.5%) contributing to this. Internationally, both the own-brand business (+26.5%) and the OEM business (+91.9%) performed exceptionally well.

At CHF 62.7 million, the operating result (EBIT) was 27.5% higher than the previous year's figure of CHF 49.2 million. With an EBIT margin of 10.0% (previous year 8.6%), the V-ZUG Group reached its medium-term target of a double-digit EBIT margin as announced as part of its stock market listing for the first time. Operational productivity as measured by the EBITDA margin increased to 15.2% (previous year 14.0%). As mentioned in the 2021 Half-Year Report, rising materials prices and supply shortages – particularly of microprocessors – resulted in a significant drop in the EBIT margin from 12.4% in the first half of 2021 to 7.7% in the second half of the year, particularly as sales price increases did not take effect until the fourth quarter of 2021.

In the 2021 financial year, the V-ZUG Group's cash flow from operating activities totalled CHF 63.5 million (previous year CHF 99.4 million), and free cash flow (after investment activities) totalled CHF 9.0 million (previous year CHF 42.0 million). The difference from the previous year is primarily due to higher stock levels and tax payments alongside continuing high levels of investment.

As at 31 December 2021, the balance sheet of the V-ZUG Group showed a strong equity ratio of 72.9% (previous year 70.9%) and cash and cash equivalents incl. securities of CHF 117.3 million (previous year CHF 107.8 million). Cash and cash equivalents and the high equity ratio continue to support the sustainable, equity-financed performance of the V-ZUG Group.

“Strong increase in EBIT margin to 10.0%”

2021: second year of COVID-19, rising costs and supply chain challenges

Despite the ongoing COVID-19 pandemic and the increasing materials shortages and bottlenecks in logistics capacities, production stoppages were mostly avoided in the reporting year. Given the adverse circumstances, delivery times remained acceptable for dishwashers and good for all other product categories. Price increases on purchasing materials and logistics services have forced us to adjust sales prices. The first price increase took place in October 2021 and a further increase will take effect in April 2022. Additional price increases will be unavoidable in the coming months.

Our effective Health & Safety policy minimised the number of COVID-19 cases and isolation-related absences across the V-ZUG Group companies in the reporting year. Employees at the Zug and Arbon sites also had the opportunity to get vaccinated on-site.

After having only attended virtual events for the past year and a half, in the second half of the year, V-ZUG was pleased to be able to once again meet key customers in person at trade fairs and attend partner and customer events both in Switzerland and abroad.

2022 outlook: V-ZUG is well placed to seize opportunities and overcome challenges

Demand for household appliances increased as a consequence of the COVID-19 pandemic, particularly in the Swiss Market, but this is expected to normalise at a high level in the 2022 financial year. V-ZUG is anticipating net sales to grow by more than 6% in 2022 as a result of the exceptionally full order books, price adjustments in Switzerland as well as growing market penetration and full order books in International Markets.

There are still many uncertainties around supply chains and purchase prices. As a result, significant resources will still need to be spent in 2022 on ensuring production and delivery levels. The purchase price situation also means that sales prices will need to be adjusted. Overall, this situation is not expected to ease much before the end of 2022. As in the second half of 2021, the EBIT margin is expected to remain modest in the first half of 2022. Subject to any major and lasting geopolitical upheavals, the V-ZUG Group is aiming for an EBIT margin of 10% for the full financial year, given the high sales and revenue expectations and effective cost control. All transformation projects will continue as planned.

The strong performance of the business in the past financial year resulted in the Group achieving some of the medium-term targets announced as part of the stock market listing ahead of time (EBIT margin >10%; organic growth between 2 and 3%) and being well on the way to achieving others (doubling international business within five years compared with 2019). As part of revising its medium-term plans, the V-ZUG Group has now established the goal of achieving annual organic net sales growth of 3% at group level by 2026 – including annual organic net sales growth of over 10% in the International Markets and an EBIT margin in the range of 10 to 13%.

There have been no fundamental changes to the dividend policy announced two years ago. No dividends are to be paid in the first three years after the stock market listing and available financial resources are to be used primarily for investments in products, markets and the production sites in Zug and Sulgen. After that time, a dividend will be based on the level of distributable profit and is expected to be between 20% and 40% of the Group net result in the medium- to long-term. Free cash flow in the 2021 financial year was only CHF 9.0 million due to investments carried out as part of ongoing transformations and the exceptional increase in inventory in the reporting year in order to ensure delivery capacity. In the 2022 financial year, there will be more significant investments in developing new products and digital solutions, in further expanding the International Markets, in marketing and in transforming the production site in Zug, so the Board of Directors is proposing to the Annual General Meeting that no dividend be paid for the 2021 financial year.

Unusually dynamic Swiss Market

The short-term economic recovery driven by continuing high demand led to strong sales in 2021 in a normally rather steady Swiss Market environment. Compared with the previous year, net sales rose by 5.4% and totalled CHF 529.1 million (previous year CHF 502.1 million). As a result, V-ZUG can claim market leadership in Switzerland. Driven by energy-related improvements, there continues to be strong activity in the construction industry, particularly in renovations and refurbishments, which the household appliances industry is benefiting from, too.

In the service business, the V-ZUG Group maintained a level of service that met high customer expectations and the company's service promise and complied with COVID-19 Health & Safety measures. In addition, the SIBIRGroup further expanded its strength in the all-brand service area.

V-ZUG records strong international growth

The international growth strategy continued to bear fruit in 2021. Net sales increased by 40.5% to CHF 94.6 million (previous year CHF 67.4 million). This result is due to continued excellent growth in the own-brand business (26.5%) with net sales of CHF 67.0 million (previous year CHF 53.0 million) and significant increases in the OEM business, with net sales of CHF 27.6 million (previous year CHF 14.4 million). High to very high growth was achieved in all three regions in which the V-ZUG Group is active: Europe +35.3% with net sales of CHF 26.1 million (previous year CHF 19.3 million), Asia-Pacific +21.5% with net sales of CHF 40.4 million (previous year CHF 33.2 million), and North America +89.7% with net sales of CHF 28.2 million (previous year CHF 14.9 million). The associated increase in the contribution margin from international business drove further growth in the International Markets, again resulting in a positive contribution to V-ZUG's structural costs.

“Net sales from International Markets as a proportion of total net sales rose from 11.8% in the previous year to 15.2%”

The presence of the V-ZUG brand in major metropolitan areas around the world continued to expand with the opening of new V-ZUG Studios (showrooms). The V-ZUG Studio in London was completed at the end of 2021 but due to the ongoing COVID-19 pandemic, the grand opening will take place at the end of March 2022. In addition, a V-ZUG Studio is scheduled to open in Paris in the second quarter. This will be followed by the V-ZUG Studio in Sydney in the third quarter before the V-ZUG Studio Vienna in the fourth quarter. The attractive portfolio of high-end appliances in the Excellence Line and first-class customer service increase V-ZUG's appeal in the premium household appliances segment.

New products, new business models, new digital solutions

The launch of the new Excellence Line was a highlight for V-ZUG in the past year and was extremely well-received by customers and distribution partners in both Switzerland and in International Markets. The Excellence Line will be expanded in April 2022 with the new "PowerSteam" – another world first innovation from V-ZUG with an innovative, multi-application combination of steam and microwave technology that combines fast, precision cooking with tried and tested reliability and guaranteed top results. In addition, V-ZUG will be launching the new "CombiCookTop" – the second generation of the hob with an integrated extractor. (For details see p. 22)

V-ZUG is currently running pilot projects to assess a new business model – renting washing machines to business customers. The rental appliances remain the property of V-ZUG, which provides any maintenance and service required during the rental period. At the end of the rental period, the appliances are returned and any reusable components are recycled, promoting a sustainable circular economy.

Customers will enjoy both the user-friendly appliances and new, digital solutions. In the 2021 financial year, the V-ZUG Group launched several new digital solutions as well as new releases of existing apps. At the heart of these is the "V-ZUG Home" app, with expanded functionalities and content – and easier link-up to the digital cook assistant for recipes and menu planning ("V-Kitchen") – making it the ideal complement to the new Excellence Line. In addition, V-ZUG has worked with start-up company eeproperty SA to develop a solution to digitalise manual processes relating to the use of, and payment for, laundry rooms in apartment blocks ("VESTA"). (For details see p. 25)

Sustainability with a holistic focus

At V-ZUG, digitalisation plays an important role when it comes to sustainability and in raising awareness among end customers about the environmentally friendly use of V-ZUG appliances. In order to reach social sustainability targets and reduce our ecological footprint, household appliances not only need to be sustainably manufactured, they need to be used as efficiently as possible throughout their life cycle, too. Measuring our ecological footprint and creating life cycle assessments was another key task for the V-ZUG Group in the 2021 financial year. This created the basis for the V-ZUG Group to align its commitment to climate action with quantifiable targets and clear priorities.

"All Swiss-made V-ZUG appliances will be produced in a CO₂-neutral manner"

Even under the new, significantly stricter energy efficiency regulations, 58% of the reclassified appliances sold by V-ZUG in the reporting year were in the top three energy efficiency classes (A-C). Production sites are kept CO₂-neutral by preventing and reducing emissions and through the "V-Fores" reforestation project as part of voluntary offsetting. The associated compensation amounts are financed by a CO₂ fund built up from a voluntary internal CO₂ levy for each tonne of CO₂ emitted.

V-ZUG pursues a holistic approach to sustainability, which is embedded in V-ZUG's corporate culture and forms an integral part of the V-ZUG brand. As part of this, an equal pay analysis was carried out in accordance with the Gender Equality Act and confirmed that V-ZUG in Switzerland is a fair employer that pays men and women equally for equal work. V-ZUG's increasingly diverse workforce is also reflected in the increasing number of women overall (around 23%) and the proportion of women in senior management roles (23.6%).

Real estate projects and site transformation progressing

At the Zug site in November 2021, the new enamelling coating technology system was approved for production in the "Zephyr Hangar" building. Furthermore, after receiving the building permit at the beginning of the year, construction began in May 2021 on the final building of the new vertical factory, "Zephyr Ost", which will optimise logistics and production processes in Zug.

"Relocating V-ZUG Kühltechnik AG into the new refrigerator factory is a milestone in the V-ZUG Group's transformation process"

The operating equipment installation and commissioning at the new refrigerator factory in Sulgen, which had been under way since autumn 2020, was completed on schedule and production gradually started in January and February 2022. The move from Arbon to Sulgen will be completed in March 2022. (For details see p. 30 and seq.)

Marketing new in Executive Committee

While there were no changes to the composition of the Board of Directors of V-ZUG Holding AG in the recent financial year, there were two new appointments to the Executive Committee. At the beginning of July 2021, Adrian Theiler replaced the previous Senior Vice President Operations Max Herger, who has retired. Manuel Faeh, Senior Vice President Business Development, also left the V-ZUG Group at the end of July 2021. Nathalie Noël joined the Executive Committee at the beginning of August 2021 in a newly created marketing function.

Thank you

We would like to take this opportunity to offer our employees our heartfelt thanks for their great discipline in complying with COVID-19 Health & Safety measures both at work and in their private lives and for their tireless commitment and flexibility, ensuring that our customers receive the best possible levels of service.

We are also aware that price increases, materials shortages and some short-term delivery delays have been challenging for our distribution partners and customers. Despite this, we see their support and understanding for these unusual circumstances every day and we would like to express our thanks for this.

Finally, we would like to thank you, our valued shareholders, for the trust and confidence you have placed in the Board of Directors and the Executive Committee. We do not view this as a given but rather as confirmation that our chosen strategy is writing the next successful chapter in the V-ZUG Group's history.

Oliver Riemenschneider

Chairman of the Board of Directors

Peter Spirig

Chief Executive Officer

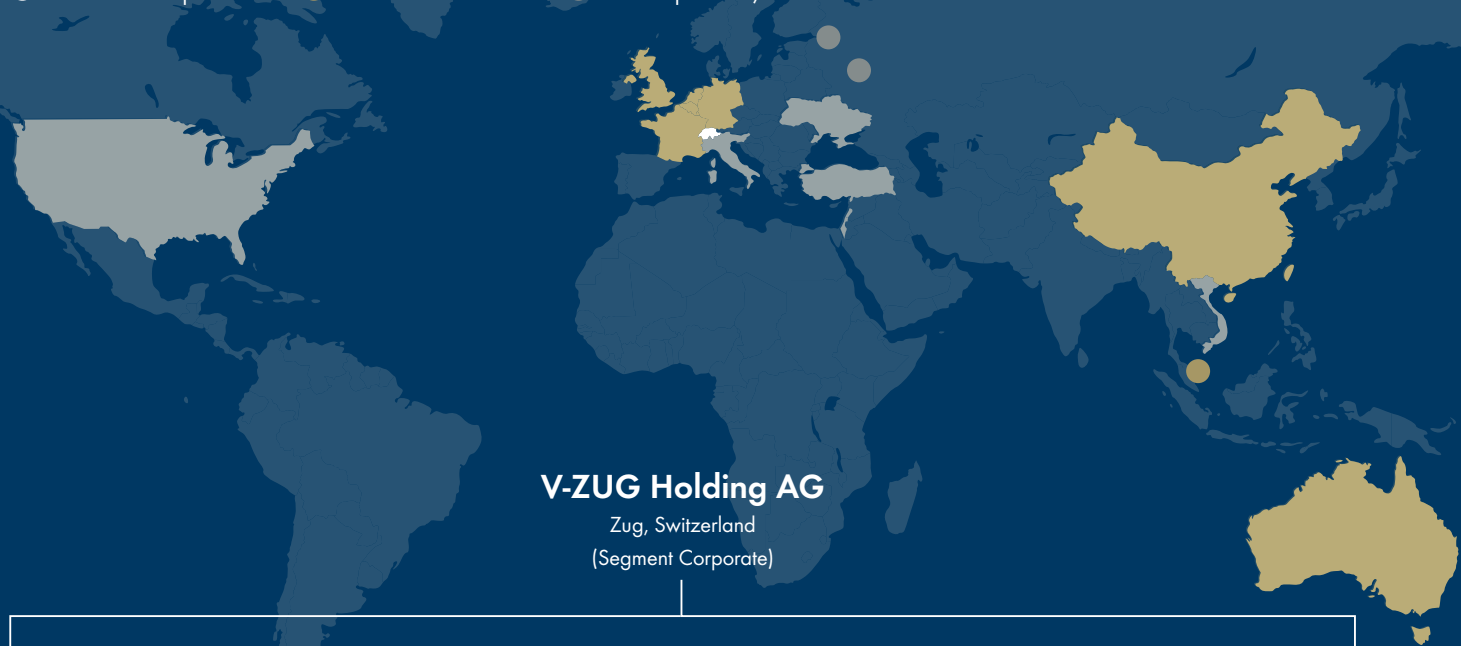


The V-ZUG Group

V-ZUG is Switzerland's leading brand in household appliances. For over 100 years, it has been developing and manufacturing kitchen and laundry appliances at its main production site in Zug, Switzerland, and, since 2013, refrigerators in Arbon and now in Sulgen, Switzerland. V-ZUG also produces special pre-assembled components for its appliances in Changzhou, China. As the market leader in Switzerland, V-ZUG markets its premium products in a select number of international Markets, focusing on metropolitan areas and offers comprehensive high-quality service in all its markets. In addition to its headquarters in Switzerland, the V-ZUG Group has its own distribution companies in the EU, the UK, China, Hong Kong, Singapore and Australia, and has well-established distribution partners in other international Markets.

The V-ZUG Group employs around 2,200 people worldwide and is divided into the "Household Appliances" and "Real Estate" segments. The Household Appliances segment covers the operational business for the development, production, marketing, sales and service of household appliances. The Real Estate segment comprises the V-ZUG Group's real estate business and consists of the Northern area of the Tech Cluster at the Zug site and properties in Sulgen (new refrigerator factory and existing production and office buildings rented to third parties). V-ZUG Holding AG is listed on the Swiss stock exchange and has its own reporting segment - "Corporate".

● V-ZUG headquarters ● V-ZUG subsidiaries ● V-ZUG partners/distributors



V-ZUG Holding AG

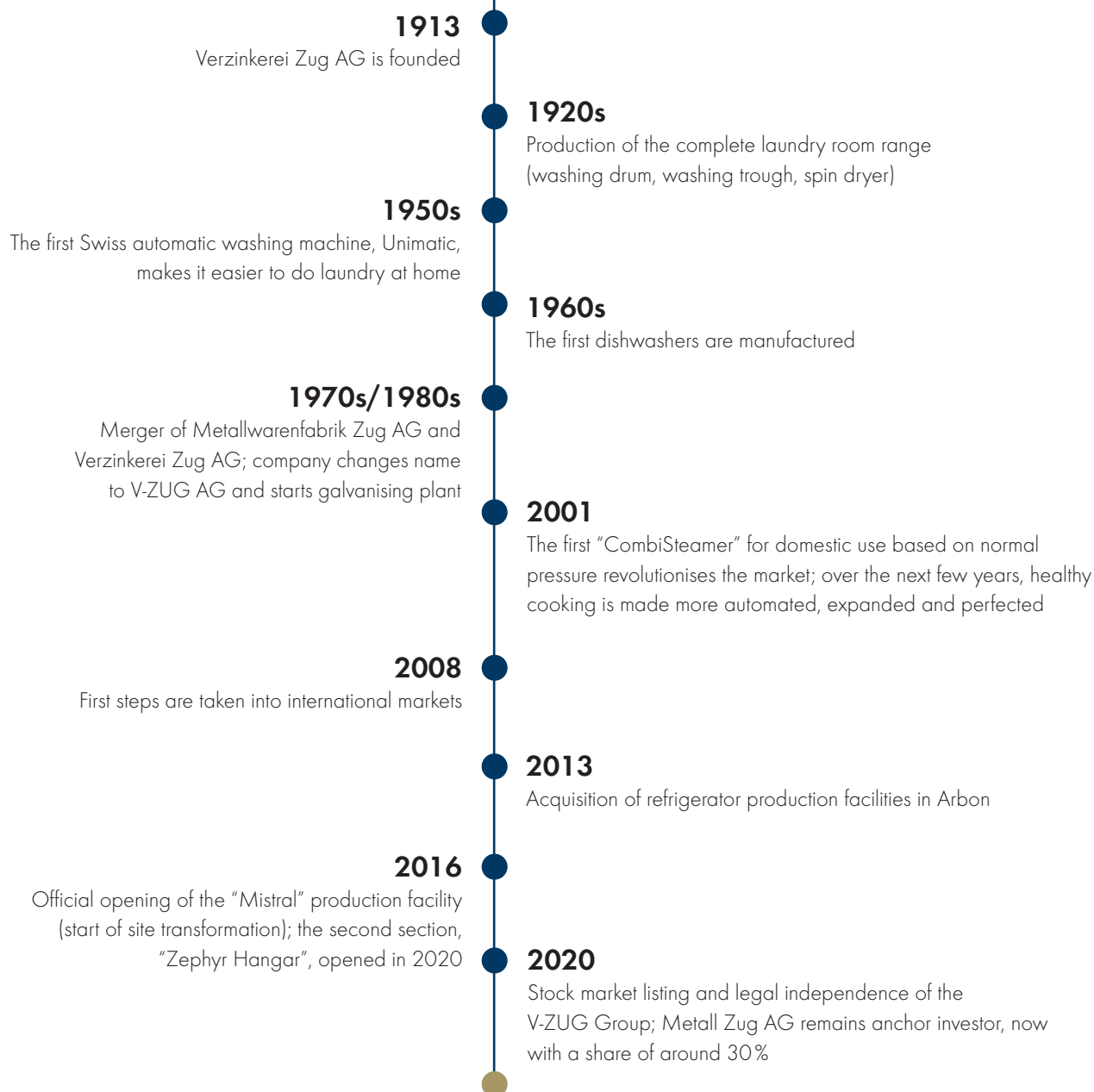
Zug, Switzerland
(Segment Corporate)

Segment Household Appliances

Segment Real Estate

Segment Household Appliances			Segment Real Estate
Switzerland	Europe	Asia/Pacific	Switzerland
V-ZUG AG Zug	V-ZUG Europe BV Harelbeke-Kortrijk, Belgium	V-ZUG (Shanghai) Domestic Appliances Co., Ltd. Shanghai, China	V-ZUG Assets AG Zug
V-ZUG Kühltechnik AG ¹⁾ Sulgen	V-ZUG UK Ltd. London, United Kingdom	V-ZUG (Changzhou) Special Components Co., Ltd. Changzhou, China	V-ZUG Infra AG Zug
SIBIRGroup AG Spreitenbach		V-ZUG Hong Kong Co., Ltd. Hong Kong, China	
V-ZUG Services AG Zug		V-ZUG Singapore Pte. Ltd. Singapore	
		V-ZUG Australia Pty. Ltd. Melbourne, Australia	

¹⁾ Transfer of registered seat from Arbon to Sulgen in November 2021.



2021 Highlights

New Excellence Line

The first major highlight of the past financial year was the launch at the beginning of March 2021 of the Excellence Line – a new product line for high-quality thermal cooking appliances in the premium segment. This new product line combines innovative functionality and the latest technology with perfect design and intuitive controls. The new oven and steamer were developed entirely in Switzerland and the appliances are now manufactured at our production site in Zug.

Zephyr Ost

In May 2021, construction started on the third and final production facility "Zephyr Ost" as part of the new vertical factory in Zug.

This will optimise logistics and manufacturing processes and will complete fully vertical production at the Zug site. The work is scheduled to be completed by the end of 2023 and will enable operations to expand.

Opening of new V-ZUG Studios

In the second half of the year, five new V-ZUG Studios (showrooms) were opened, further strengthening our international presence.

Record deliveries

The success of the new Excellence Line on the market also helped the V-ZUG Group to deliver more than 500,000 household appliances in 2021, the first time in its history that this level has been achieved.

Market environment

In Switzerland, the V-ZUG Group generates around one third each of its sales of household appliances in the new-build, renovation and replacement business. Over the last few years, V-ZUG has benefited significantly from the construction boom in residential buildings. Partly driven by energy-saving measures, construction activity in the new-build industry - including refurbishments of existing building stock - is expected to remain at a high level, so the outlook for renovations continues to be positive. However, due to the exceptionally high consumer demand caused by the COVID-19 pandemic, activity in this area is expected to remain stable or fall slightly in the short-term. Finally, the replacement business remains virtually unaffected by the economic cycle. With its very large installed base of appliances in Switzerland, V-ZUG is well positioned to soften the impact of any negative fluctuation in the renovations business.

In the Swiss Market and particularly in the property business, competition from major foreign domestic appliance companies with larger production volumes in low-wage countries remains strong. In addition, the standard Swiss measurements for integrated kitchens are gradually becoming less popular, particularly for new-builds (55cm vs the EU standard of 60 cm). There is also an increasing trend towards international consolidation of companies in the appliances industry and in supply chains, as well as greater standardisation and more regulatory requirements. Consumers, too, have more expectations when it comes to sustainability. As part of its strategic transformation, the V-ZUG Group is well-prepared to use these challenges to its advantage and to defend its position as market leader.

Internationally, the V-ZUG Group is focusing on markets with major "food-savvy" customer groups with significant spending power, who tend to be based in metropolitan areas. Due to its current small market share in International Markets, V-ZUG's potential for significant future sales growth is considerable. The core markets of China, Australia and Germany in particular performed very well over the last few years. By opening more V-ZUG Studios (showrooms) in key markets, V-ZUG will further expand and consolidate its international position as a premium brand.

V-ZUG's service and support are key to our business. Despite intense competition, there is further growth potential in this area, particularly by offering new digital products and service contracts. V-ZUG's response time and first-visit resolution rate set benchmarks in the market. In Switzerland, the V-ZUG Group meets the increasing expectations of major real estate management companies in terms of providing all-brand services via its subsidiary SIBIRGroup AG. In international metropolitan markets, the V-ZUG Group's service promise is a key element of the service package and is a unique selling point for the Group.

In all markets, changes in consumer behaviour are reflected in greater interest in, and demand for, healthy, sustainable food and for household appliances that are easy and convenient to use. Overall, consumers want their interaction with V-ZUG to be digital and more automated, including the order process, their daily use of the appliances and their use of services such as recipe suggestions, fixing faults, etc.

Strategic transformation

The V-ZUG Group is currently in an ambitious, comprehensive phase of transformation that will last several years. It has five core aspects: strengthening the V-ZUG brand, implementing the internationalisation strategy, developing platforms for new products and services, digitalising products and processes, and transforming the main site in Zug and relocating the refrigerator factory from Arbon to Sulgen, including optimising production. Simultaneously implementing these projects calls for exceptional efforts and generates overlapping costs. However, it should result in the V-ZUG Group showing the strong foundations of its brand, retaining its leading technological position, becoming operationally more efficient, and having a more diversified market portfolio with footholds in Switzerland and abroad.

V-ZUG brand as a strong foundation

Everyone in Switzerland has heard of the V-ZUG brand and it has always been a symbol of innovation, durability and reliability for kitchen and laundry products in all market segments. These values have always been embedded in V-ZUG's culture and are clearly reflected in the vision, mission and core values that were redefined in spring 2021 with the assistance of employees, the Executive Committee and the Board of Directors (available at: www.vzug.com/ch/en/vision-mission-core-values).

The V-ZUG brand continues to increase its profile in international markets. Across all markets, V-ZUG focuses on providing simple, intuitive controls, precision and a quality guarantee, making appliances with a timeless, appealing design that integrates seamlessly with the interior architecture of living and cooking spaces.

This is reflected in the revised design of the new product lines and a refreshed brand image, seen in the refurbished, redesigned ZUGORAs (showrooms) in Switzerland and the new, contemporary V-ZUG Studios in major international metropolitan areas. All this enables V-ZUG to strengthen its position as a premium brand offering innovative, high-quality products that use the latest technology and provide first-class customer service and an outstanding brand experience.

Sustainability is an integral part of V-ZUG's brand promise. As a responsible corporate citizen, the V-ZUG Group advocates sustainability along the triple bottom line: People, Planet and Profits. The development of resource-efficient products is of key importance here. Circularity, durability and energy efficiency are key distinguishing features of the V-ZUG brand.

V-ZUG is also keen to strengthen its employer brand to help it attract the right talent for both its existing tasks and future challenges.

Presence in Switzerland and international metropolitan areas

We aim to retain the role of market leader in the Swiss Market and to continually and sustainably expand our market share. This will be achieved by further strengthening V-ZUG's positioning with end customers who use their appliances on a daily basis, and by expanding our ability to meet the needs of all stakeholders – wholesalers and specialist traders, kitchen builders, sanitary fitters, investors and real estate management companies as well as architects and interior designers, whether in the rental property sector or in the premium segment.

Strong growth can be achieved internationally by positioning the brand as a premium manufacturer in selected markets. The focus here is on implementing the "Metropolitan Strategy" – targeting large, urban commercial areas with significant spending power. In doing so, the V-ZUG Group will communicate the "Swiss model" – the precision and quality that comes with "Made in Switzerland" combined with household appliances that are durable and easy to use and excellent, reliable customer service. International sales are expected to grow significantly faster than those in Switzerland. This will be achieved by opening up major metropolitan areas and maintaining a careful balance between market selection, penetration speed and investment.

Platforms for products and services; integrating digitalisation

To reach these goals, V-ZUG continually invests in an innovative, exciting product portfolio that meets the needs and requirements of the market.

When determining which products to develop – and particularly when considering digital products – the V-ZUG Group takes a consolidated view of all needs and requirements of the market and any market and technology trends, and factors in its own expertise in these areas. This regularly results in designs that emphasise V-ZUG's reputation of offering innovative products and technologies that are leaders in their class.

To meet these requirements, the Group invests in the development of platform technologies. This enables parts and components to be used across several product lines. The whole product portfolio is also constantly assessed so that other customer needs can be quickly met by efficiently allocating available resources to the innovation and development process.

The role of Service & Support as a key pillar of V-ZUG's value proposition will be further strengthened increasing our market share and service coverage. As part of this, new, customer-focused services and business models – both digital and analogue – will be regularly tested and implemented if they receive positive customer feedback.

Through greater online networking, the V-ZUG Group is expanding the ways in which its products can be used, and is enhancing the customer experience. In addition, V-ZUG is optimising the digital integration of the V-ZUG world of recipes between app and appliance (with a seamless transfer directly into the appliances), making cooking ever simpler and more intuitive, even for more complicated menus.

Digitalisation also encompasses the further development of sales channels both for professional (B2B) and private (B2C) customers, with a focus on simple order processes and expanding the range of services, including remote maintenance. Finally, investment will continue to flow into optimising existing digital administrative solutions and implementing new ones.

New production sites with high productivity

The V-ZUG Group continues to invest in Switzerland as a centre of technology and industry. The ongoing site transformation and modernisation of the production equipment in Zug and the new refrigerator production facility in Sulgen will increase operational efficiency and productivity to ensure that production in Switzerland remains sustainable and competitive. The associated automation serves as the basis for substantial, profitable growth of the V-ZUG Group both in Switzerland and abroad. Naturally, this growth requires V-ZUG to have Group-wide human resources management and organisational development that is fit for the future. Well-trained employees who can work together flexibly in multi-divisional teams are essential to future success.

Household Appliances segment



Household Appliances segment report

The Household Appliances segment comprises the operational business of the V-ZUG Group relating to the development, manufacture and sale of high-quality kitchen and laundry appliances for private households. This segment is managed by the Executive Committee of the V-ZUG Group, and consists of V-ZUG AG and its subsidiaries in Switzerland and abroad, plus V-ZUG Services AG (see overview on p. 10).

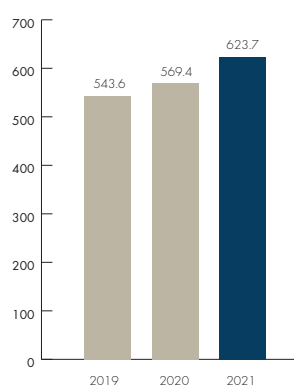
Comprehensive, customer-focused service and support is provided for all products and brands. In the Swiss Market, a total of more than 300 service technicians from over 20 service locations work for V-ZUG AG and SIBIRGroup AG. V-ZUG is continually expanding its international service to support the brand. Customers in International Markets can now access support from a total of 300 V-ZUG service technicians and certified partner technicians. More than 90% of global service calls are managed successfully on the first customer visit.

The Household Appliances segment currently employs around 2,200 people, including 88 trainees.

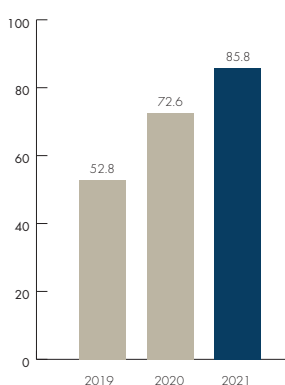
Overview of the 2021 financial year

At CHF 623.7 million (previous year CHF 569.4 million), net sales in the Household Appliances segment were 9.5% higher than last year. In local currencies, net sales increased by 9.2%. In the 2021 financial year, the growth in net sales was purely organic. In addition, operational productivity, measured by the EBITDA margin (EBITDA as a percentage of net sales) rose to 13.8% (previous year 12.7%). At CHF 58.1 million, the operating result (EBIT) was significantly higher than the previous year (CHF 46.2 million).

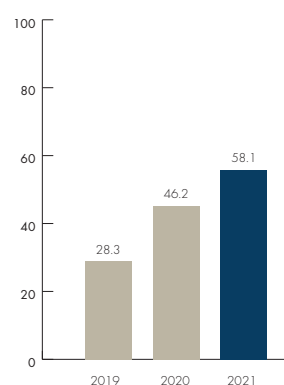
Net sales (in CHF million)



EBITDA (in CHF million)



EBIT (in CHF million)

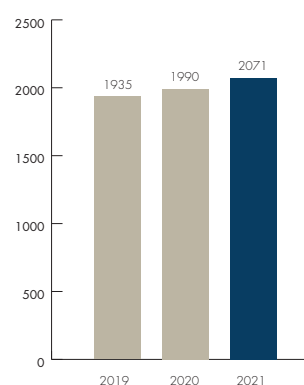


As a result of the ongoing COVID-19 pandemic and intensifying supply chain difficulties throughout the year, the 2021 financial year was equally as challenging as the previous year for the Household Appliances segment. Despite all this, however, V-ZUG reached a historic milestone in the reporting year, delivering more than 500,000 household appliances in the calendar year.

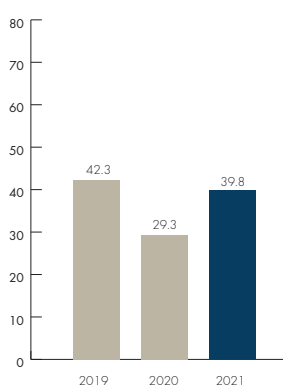
Due to the extremely high capacity utilisation associated with the high demand in the Swiss Market and the continued growth of the V-ZUG Group on International Markets, the number of employees in the 2021 financial year increased again compared to the previous year.

At CHF 61.3 million, R&D costs rose slightly in comparison to the previous year (CHF 59.5 million). As a percentage of net sales, these costs are still within the region of 10%. At CHF 39.8 million, capitalisable investments in the Household Appliances segment rose sharply (previous year CHF 29.3 million). This was primarily attributable to higher investment in connection with the operating equipment installation and commissioning at the factories in Zug and Sulgen.

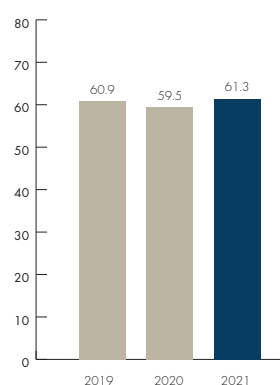
Employees as at 31.12 (FTE)



CAPEX (in CHF million)¹⁾



R&D costs (in CHF million)



¹⁾ see also CAPEX Real Estate segment (p. 27)

Supply chain challenges and COVID-19

In addition to the ongoing increase in demand caused by the COVID-19 pandemic, supply shortages, procurement difficulties and increased prices for raw materials, components and logistics services resulted in challenges for the V-ZUG Group.

As in the first half of 2021, production stoppages were mostly avoided in the second half of 2021 and despite significant difficulties in the procurement markets, a good level of delivery capacity was maintained, both in Switzerland and internationally. This was achieved thanks to the tireless commitment of all employees and our strong supplier network. A high level of agility, a choice of logistics routes and service providers, proactive inventory management and very flexible manufacturing processes were also key factors.

An interdisciplinary COVID-19 task force has been in place since the beginning of the pandemic. This ensures that all statutory and internal requirements are implemented in the form of adequate measures, precautions and timely communication and that the constantly changing circumstances are accurately translated into operational day-to-day business. Both the Arbon and Zug locations have also set up on-site testing and vaccinations. The locations' Health & Safety policies were pursued effectively, helping to keep COVID-related employee absences in the 2021 financial year to a low level.

In the first quarter of the year under review, short-time work was temporarily introduced for around 40 employees in the ZUGORAMA showrooms and in the application consulting division, with V-ZUG compensating the reductions in salary in full. As in the previous year, the majority of office employees mostly worked from home for almost the whole year. The benefits of a digital workplace and the efficient use of virtual communication platforms ensured that work was still conducted smoothly.

Swiss Market

Sales figures – both net sales and sales volume – were positive compared to the previous year. Sales figures increased significantly and confirmed V-ZUG as the market leader in Switzerland. Net sales in the Swiss Market amounted to CHF 529.1 million, 5.4% more than the previous year. The whole year was driven by sustained high demand, something that posed major challenges for us due to the increasing difficulties in sourcing raw materials and parts, particularly in the second half of 2021.

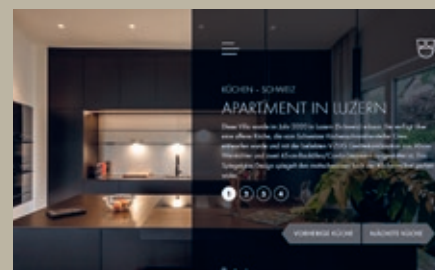
The construction industry continues to be extremely busy, with high levels of new-build construction and an increasingly active renovations market. The pandemic triggered many refurbishment projects (renovations, conversions, etc.) as people appreciated the value of having a comfortable “safe haven” at home. Activity in the construction industry continued uninterrupted.



Residential building in Basel (CH)

In the heart of the lively Kleinbasel Messe district, the 96-metre high Claratum is an exciting blend of apartments of different sizes and business spaces.

The 285 stylish apartments and lofts in the Claratum and the 19 apartments on Clarastrasse offer residents an elegant place to call home, with all apartments fitted with V-ZUG household kitchen and laundry appliances that are the perfect complement to a contemporary, urban lifestyle. The first tenants moved into the properties in November 2021.



You can find more V-ZUG projects on the website for global references at www.references.vzug.com/en

Refurbishment of the Bern & Chur ZUGORAMAs

After a full refurbishment, the ZUGORAMA showroom in Rüfenacht in Bern re-opened its doors to visitors in April 2021, revealing its glossy, new look. The other ZUGORAMAs will also be undergoing the same modernisations, including the one in Chur.

Cosy and inviting with warm earth tones – the contemporary interior design reflects V-ZUG’s premium quality while also expressing a down-to-earth attitude and the company’s Swiss roots. The ZUGORAMA in Chur is the second showroom and service centre in Switzerland to be refurbished and will re-open in spring 2022.



“The new, light-flooded ZUGORAMA Bern is ideal for advising our specialist retail partners in the region and an important hub and pivot for V-ZUG AG.”

Michael D. Graf, Head of Sales Switzerland, V-ZUG AG

We were particularly pleased with the success of the new Excellence Line kitchen appliances launched on the Swiss Market at the beginning of March 2021. They were very well received and customers were overwhelmingly positive, praising both the design and functionality of the new product line.

Due to the pandemic, nearly all partner and customer events were conducted virtually in the first half of 2021, so V-ZUG was pleased to have the opportunity in the second half of the year to host partner and customer events and participate in trade fairs, giving the V-ZUG sales teams the chance to express one of their core skills – in-person customer service and responsiveness.

The V-ZUG Service & Support team guaranteed high levels of service for customers throughout 2021, with regular customer feedback surveys clearly confirming their satisfaction. Health and safety measures based on current recommendations and requirements were implemented for all service activities.

SIBIRGroup: strengthening all-brand service

The SIBIRGroup deals with household kitchen and laundry appliances and specialises in all-brand services in Switzerland. Its target groups are property management companies and pension funds, and also private home owners and freehold apartment owners. The SIBIRGroup can also look back on a successful year: net sales rose by 7.9% compared to the previous year. As part of the expansion of the all-brand services business, the number of service technicians was increased and the SIBIRGroup now has 120 employees across its sites in Switzerland.

International Markets

International growth accelerated again in the 2021 financial year. Rising sales figures of own-brand products and the strong recovery of OEM business compared with the previous year are both extremely encouraging and show that we are focusing on the right markets. In international business, the V-ZUG Group increased net sales by 40.5% to CHF 94.6 million (previous year CHF 67.4 million). This was partly due to continued high growth in net sales from the sales of own-brand products of CHF 14.0 million, or +26.5%, to CHF 67.0 million. The positive overall growth in the International Markets was also a result of recovered, North-America-focused OEM business with net sales of CHF 27.6 million (+91.9% compared to the previous year). The core markets of China, Australia and Germany continued to record strong growth, with consistent increases in the order books pointing to strong and sustainable growth over the next few years.

Following on from the opening of new V-ZUG Studios in Beijing and Munich in the 2020 financial year, V-ZUG opened five new V-ZUG Studios (showrooms) further expanding its international presence. Together with the staggered introduction of the new Excellence Line in the reporting year – May 2021 in Europe and autumn 2021 in Hong Kong, Singapore and Australia – the showrooms helped V-ZUG to strengthen its international position as a premium brand with first-class customer service and an unforgettable brand experience. Participating in several trade fairs (the Supersalone in Milan and the Küchenmeile in Löhne in Germany) in the second half of 2021 was also important for increasing the presence of the V-ZUG brand, particularly as most of them had been cancelled the year before due to COVID-19.

The V-ZUG Group will press ahead with its international growth strategy with more scheduled V-ZUG Studio openings in the 2022 financial year, including the London grand opening in March 2022 – although the showroom has been open to customers and business partners since the beginning of the year – plus Paris, Sydney and Vienna, and the launch of the Excellence Line in China at the beginning of 2022.

“The design of the V-ZUG Studios combines the stylish practicality, reliability, functionality and elegance of V-ZUG appliances with the beauty, flow and playfulness of the light that represents the metropolitan lifestyle.”

Tatiana Pospolit, owner of Nika-TP, V-ZUG Studios designer



New V-ZUG Studios in international metropolitan areas

The top-quality V-ZUG Studios, opened in a number of international metropolises in the 2021 financial year and featuring the new Excellence Line, are a source of inspiration for architects, designers and trade partners.



“V-ZUG was chosen because the exceptional performance of our appliances and our rich brand heritage reflect the history of the development.”

Randy Zhang, General Manager East China, V-ZUG China Region



Residential building in Shanghai (CN)

The “Aroma Garden” construction project is located in a historic quarter of the Old City of Shanghai, right next to the Yu Garden (Yu Yuan) and the People’s Square (Ren Min Guang Chang). These city centre villas will reflect Shanghai’s architectural style and help to reshape the side streets, archways and courtyards around them.

The development was completed in 2021 and comprises 154 villas with floor areas ranging from 172 to 688 m², all of which are fitted with V-ZUG household appliances including CombiSteamer, dishwasher, refrigerator and gas oven, as well as laundry appliances including a washing machine, dryer and RefreshButler. “Aroma Garden” is aimed at quality-conscious residents who enjoy the freedom of living in the city and living their own way of life.

Apartment block in Brussels (BE)

The owners of this apartment block in Brussels (BE) commissioned Bulthaup to design a kitchen that is both stylish and the heart of the home.

It all began with choosing the material for the kitchen fronts – the warm appearance of the 2,000-year-old bog wood immediately catches the eye. Worldwide, only 14 kitchens have been fitted with this kind of wood as it’s extremely rare, being only found in peat bogs.

If you want an exclusive kitchen design, then combining it with V-ZUG appliances is the only logical choice, said the owners. After they discovered V-ZUG at the Brussels trade fair and were won over by its design, exclusivity and Swiss expertise, they insisted on sourcing all their appliances from V-ZUG. The design of the appliances emphasises the kitchen design, with a minimalist look that complements the aluminium on the cooking island and integrates subtly with the warm, exotic feeling of the bog wood.



“The sleek, minimalist design of the mirror-black appliances goes beautifully with the grain of the wood. A perfect combination!”

Patrice Penasse, Managing Director of Structure Plus sa. Bulthaup Partner, Brussels (Belgium)



Product innovations

The 2021 reporting year was heavily influenced by the new Excellence Line. Customers and distribution partners in Switzerland and internationally were absolutely thrilled by its exquisite design, expanded colour palette and innovative, globally unique ease of use. The CircleSlider is a glass control that works with the high-definition touch display to create a particularly pleasant haptic experience. In addition to classic black, the range is also available in platinum and pearl. Professionals around the world love the design of the appliances and the Excellence Line ovens and steam cookers were awarded the 2021 Red Dot Award: Product Design - "Best of the best". The Excellence Line and the "AdoraDish V6000" with Optilift dishwasher received this year's iF DESIGN AWARD.

In the 2021 financial year, V-ZUG added also more designs to its existing product range. The Excellence Line will be joined in 2022 by the "PowerSteam", a rapid CombiSteamer. The current kitchen range will also gain a microwave ("Miwell"), completing the selection of thermal appliances. The new "CombiCookTop" offers users a hob with an integrated extractor. The new "Aigle" wine cooler, with its updated design and functions, is a seamless addition to any high-quality kitchen.



PowerSteam

The "PowerSteam" – a world first from V-ZUG – is an excellent example of V-ZUG's outstanding expertise in combining a steamer and a microwave in one appliance. V-ZUG's exclusive inverter technology enables food to be steamed rapidly and effectively. Combined with advanced sensor technology and control algorithms, this technology facilitates automated, practical food preparation processes. V-ZUG's in-house expertise covers food science, computer-simulated microwave design and conventional hot air and steam energy transfer. The "PowerSteam" is an unparalleled appliance that opens up new ways of healthy food preparation – rapid steaming that gently refines your food.



CombiCookTop

Working with renowned kitchen builders, V-ZUG has developed a compact hob with an integrated extractor hood that is easy to plan in and quick to install. This year, V-ZUG is launching the second generation of the "CombiCookTop". Different configurations now offer greater performance and flexibility in terms of heating and cooking zones. The fan and the noise level have both been optimised and a new fat and odour filter design makes the appliance exceptionally easy

to clean and maintain. The design of the "CombiCookTop" is unique in its category as the surface is made exclusively of glass. This creates a smooth, even cooking surface on which pots can be easily moved around. The UIX (user experience design) of the Touch Display – created in-house at V-ZUG – is extremely user-friendly as it includes icons that are intuitive to operate and provides short helpful notes in several languages.

WineCooler

The new "Aigle" wine cooler has an attractive new design and several new features. The lighting design in the dark interior has several settings to create different lighting moods. Shelves made from sustainable Swiss beech and a decanter shelf can be adjusted by the user to create a variety of presentation options. The SilentPlus function reduces the noise to a minimum. The TouchOpen door integrates seamlessly into handleless kitchens. The mirrored glass front of the Excellence Line makes this product an outstanding addition to the expanded premium kitchen range.



Site transformation and production facilities renovation

The long-term redesign of V-ZUG's production facilities at its main site in Zug and the move-in and start of production of the new refrigerator factory in Sulgen are proceeding according to plan.

The construction of the new refrigerator factory in Sulgen with floor space of more than 21,000 m² was completed last year. Operating equipment installation and commissioning have been ongoing since autumn 2020. The installation of the foam equipment and automated testing infrastructure in the 2021 financial year represented additional milestones in the project plan. Full commencement of operation took place at the start of 2022 following a phased handover. Refrigerators and freezers are of strategic importance to V-ZUG. This also includes the manufacture of wine coolers, for which there is increasing demand. The requirements of cooling appliances in many international markets are different from in Switzerland. The refrigerator factory in Sulgen will also manufacture products geared to the needs of these markets and so make a key contribution to the envisaged sales growth.

When the vertical factory at the Zug site is complete, V-ZUG will have the potential to double the production capacity but will only use around 40% of the current floor space and around 85% of the current production space. Thanks to leaner processes, operational productivity and the productivity per square metre will gradually increase. The building permit for the final production facility in the new vertical factory in Zug ("Zephyr Ost") was received at the beginning of 2021. Construction started in May 2021 and is scheduled to be completed and handed over for operation in autumn 2023. The transformation, relocation and commissioning of the plant is set to take place in the first half of 2024. "Zephyr Ost" will complete the move to fully vertical production at the Zug site.

Due to complications caused by COVID-19, the set-up of the new enamelling coating technology system in the "Zephyr Hangar" in Zug had to be delayed. The system was completed in the fourth quarter of 2021 and production gradually started up in January 2022.

A strong balance sheet and net liquidity enables the V-ZUG Group to finance its extensive transformation projects, including its production facilities and offices, without using external funds.

Cooking chamber welding system and production equipment for the new coating technology system in the "Zephyr Hangar"



Digitalisation

V-ZUG successfully launched several digital solutions onto the market this year. One of these was the “V-ZUG Home” app, updated in time for the launch of the new Excellence Line. The app still has its existing functionalities and now also has new features that align with the new appliances. Other digital solutions are: “V-Upgrade”, to purchase additional functions on washing machines and driers; “V-Connect”, providing digital support for caretakers to help resolve faults quickly and efficiently; “V-Kitchen”, a digital kitchen assistant providing inspiration and support for everything from shopping to food preparation; and “VESTA”, a digital payment and booking system for apartment block laundry rooms.



www.v-kitchen.ch



V-ZUG Home

Additional Easycook functionalities and content make the "V-ZUG Home" app the perfect companion to the Excellence Line, launched on the Swiss Market on 1 March 2021. Users of the new household appliances can select their Easycook recipes on the app and send them to the connected household appliance. All the options available on the household appliance are also available on the app. Recipes and recommendations can be stored as a favourite in the app using just one click, making them quick and easy to find at any time. Optimisations to the user guidance and appliance onboarding and the quality of the user experience are reflected in the app's many positive ratings in app stores. Examples of optimisations include connecting the household appliances to the Wi-Fi and adding more languages, such as Dutch. Regular user satisfaction surveys have been integrated into the app, providing timely feedback and areas of potential improvement. Promoting digital products across several communication channels has proved to be highly effective and has significantly increased the use of existing digital services.

V-Kitchen

The "V-Kitchen" app (www.v-kitchen.ch) is a personal digital food companion that makes it easier to manage daily life in the kitchen. "V-Kitchen" provides inspiring recipes and useful ideas as well as expert knowledge from local partners including Annemarie Wildeisen, Swissmilk, Tiptopf, Lidl Schweiz and many more. "V-Kitchen" supports the user's individual lifestyle, helps with weekly food planning and preparation and offers suggestions on how to use the food available. Recipe ingredients are easy to order direct from partners such as Farmy. The smart recipe library identifies food preferences and factors in health aspects, approaches to life and users' allergies. To optimise the experience even further, all recipes can also be sent to connected V-ZUG appliances. The app was successfully launched in Switzerland in the first quarter of 2021 and has gained a loyal, growing base of users. It will be enhanced further based on customers' needs and the partner ecosystem will be continually expanded.

V-Connect

"V-Connect" is an innovative solution that optimises services for property managers and their caretakers, making it easier for them to report faults and simplify the repair process. Caretakers can also connect older household appliances to an app to extract appliance

data from it. If there is a fault, the app suggests ways to remedy. If the fault cannot be immediately remedied, the caretaker sends the diagnosis data from the household appliance to the V-ZUG Service, which then carries out a remote analysis before an on-site visit. The app is constantly being refined in collaboration with our customers and now offers the option of booking an on-site service appointment to remedy the fault in their V-ZUG household appliance. In the annual Best of Swiss Apps Awards held in November 2021, "V-Connect" received a bronze award in the Functionality category.

V-Upgrade

"V-Upgrade" enables users of V-ZUG washing machines and driers in the Adora range to purchase additional functions and programmes. Products can thus be personalised during their use phase and adjusted to changing user requirements. Functions are selected and paid for using the "V-ZUG Home" app and uploaded to the appliances using the cloud. Since autumn 2021, V-ZUG has offered free trial subscriptions to this digital package. These have been hugely popular and show the product's great potential.

VESTA

In collaboration with start-up eeproperty SA, V-ZUG has launched its first digital laundry room product onto the market. Intended for installation in apartment block laundry rooms, the system comprises several distributed digital components and a central display. These components communicate wirelessly with one another and digitalise many of the manual processes in a laundry room. They enable a digital laundry card to be uploaded using a computer or app. Physical laundry cards are no longer required. Using the app, the tenant can also see the laundry calendar and book a slot in just a few steps. The V-ZUG system is the ideal upgrade for an apartment block laundry room and an essential addition to its digital product range.



Real Estate segment



Real Estate segment report

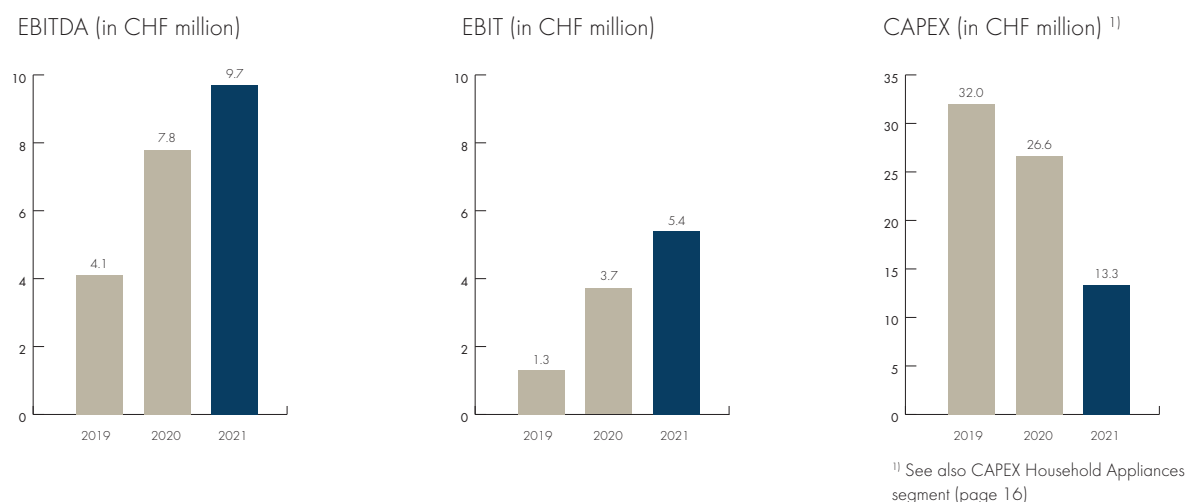
The Real Estate segment unites V-ZUG Infra AG and V-ZUG Assets AG as real estate companies or companies with land ownership within the V-ZUG Group.

Neither of the two companies runs any operational business themselves. The development, construction and renovation, management and operation of real estate and infrastructure is undertaken by Tech Cluster Zug AG, a company of the Metall Zug Group (an independent listed group). Statutory control of the two real estate companies is the responsibility of their respective Boards of Directors, and strategic management is the responsibility of the V-ZUG Holding AG Board of Directors. Adrian Ineichen (CFO), a representative of the V-ZUG Group's Executive Committee, assumes responsibility as Head of the Real Estate segment. Operational management is overseen by managing director Beat Weiss, who is also CEO of Tech Cluster Zug AG.

Business performance in 2021

V-ZUG Infra AG owns V-ZUG AG's operating properties at Industriestrasse 66 in Zug, where the V-ZUG Group will realise its industrial transformation, including consolidation of its manufacturing, over the next few years. Further important steps in this site transformation were taken in the reporting year with the production start of the enamelling coating technology system on the upper floor of the "Zephyr Hangar", the start of construction of the new "Zephyr Ost" production building and the start of the architecture competition procedure for the "Zephyr West", a new office and laboratory building.

On the properties Zelgstrasse 8 and 10 in Sulgen, which are held by V-ZUG Assets AG, the basic construction of V-ZUG Kühlechnik AG's new refrigerator factory building was completed in the reporting year, and a renovation project for the existing building in Sulgen used by Belimed AG and Belimed Life Science AG was developed.



The net sales of both companies comes predominantly from renting out buildings and maintaining infrastructure. The operating result (EBIT) amounts to CHF 5.4 million, which represents an increase of 47.2% compared with the previous year (CHF 3.7 million). Total investment in the reporting year was CHF 13.3 million, which represents a significant reduction compared with the previous year (CHF 26.6 million). The reduction is largely due to the fact that in 2021 only minor expenses were

incurred for the major projects of “Zephyr Hangar” and the new refrigerator factory building in Sulgen, and the new “Zephyr Ost” building was not tackled until the reporting year.

Integration in the Tech Cluster Zug

V-ZUG Infra AG’s properties in Zug are part of the major Tech Cluster Zug (“TCZ”) project managed by the Metall Zug Group. The starting point for the TCZ project is the strategic renewal of V-ZUG AG’s historic site in Industriestrasse in Zug and its transformation into an attractive innovation quarter combining production, research and development, commercial use and housing. Under the leadership of Metall Zug AG, the entire historic V-ZUG site has been completely reorganised in the past few years and, in connection with the spin-off of the V-ZUG Group from the Metall Zug Group in June 2020, split into two areas, with the northerly area being allocated to the V-ZUG Group and the remaining southerly and other areas being allocated to the Metall Zug Group. The modernisation and concentration of V-ZUG AG’s production on less than half of the original space and consolidation of it using vertical space enable the establishment of additional industrial businesses, technology-related services and training institutions. A networked, high-quality and urban ecosystem for innovation, production and training is to be created on eight building sites. The incorporation of the new and existing buildings in the TCZ into the new multi-energy hub operated by a joint venture between WWZ AG and Metall Zug AG ensures an autonomous and sustainable site energy supply, via which future heat, cooling, electricity and gas can be purchased and also fed back into the grid. V-ZUG Infra AG’s new “Zephyr Ost” and “Zephyr West” buildings form an important part of the TCZ and their completion and occupation by V-ZUG AG is a prerequisite for the development of the other construction sites and the approval of the renovation.

The architecture competition for the new “Zephyr West” office and laboratory building has been running since October 2021. Together with ZUGORAMA 2.0, a new, modern headquarters for the V-ZUG Group is thus being created at Industriestrasse 66 in Zug. According to the current schedule, we expect to be able to move into the new headquarters at around the end of 2026/start of 2027.

The overall development of the site is governed through various contracts and committees between the land-owners of the V-ZUG Group and the Metall Zug Group. V-ZUG Infra AG has entrusted Tech Cluster Zug AG with the management of all real estate matters. This ensures coordinated site planning by both landowners. In particular, the coordination includes areas such as mobility (traffic and parking), creating and managing supply and disposal infrastructure, and exploiting synergies when using, for example, conference rooms, catering or facility services.

Following the completion of the site transformation, V-ZUG AG will largely rent properties owned by V-ZUG Infra AG at the Zug site. Certain buildings are to be used and operated jointly with the Tech Cluster Zug.

Real estate projects

Zephyr Hangar

After the basic construction of an additional storey was completed in the previous year, in 2021 the operating equipment for the new surface technology, welding equipment and toolmaking hall was installed. On the move into the toolmaking hall in November 2021, the whole building was handed over to V-ZUG AG for operation. The building was awarded second prize for the “Central” region in the 2021 Prix Lignum for its pioneering and high-quality timber construction. The retention of the Zug site and the development and consolidation of production were highlighted as positives. The wood for the addition of the storey comes from Switzerland, largely from the canton of Zug. The building was therefore given the “Schweizer Holz” (Swiss wood) label.

Multi-energy hub: new energy hub in the ZUGgate building

In the reporting year, an area of the oldest part of the high-bay warehouse was decommissioned to construct the new multi-energy hub (MEH) in this space, which is going to supply the site and surrounding areas with heat and cooling. The land is owned by V-ZUG Infra AG. Like the entire energy infrastructure, the two-storey hub, which is the size of a small block of flats, is being created by Tech Cluster Zug AG. Heat pumps that heat and cool using deep groundwater from its own groundwater well facility and lake water are being installed in the new energy hub. The hub’s start-up is planned for autumn 2022. The MEH will be operated by the newly established Multi Energy Zug AG, a joint venture between WWZ AG and Tech Cluster Zug AG.

Zephyr Ost

Following the initial preparation work in the construction area in the previous year and after planning permission had been granted in March 2021, it was possible to start the demolition work to prepare the building site for the new "Zephyr Ost" building. The excavation and foundation work took place from May to November 2021. This was expensive and challenging due to the ground conditions and space constraints. The building is scheduled to be completed by the end of 2023 and will be handed over after the operating equipment installation and commissioning has been completed. The transformation, relocation and start-up of the production facilities will take place in the first half of 2024.

The new "Zephyr Ost" building symbolically stands for the V-ZUG Group's vertical factory and forms the link between the "Zephyr Hangar" pressing hall completed in 2020 and the "Mistral" assembly plant opened in 2016. The new five-storey building has an automated decoupling bearing at its core and generous production and assembly areas. Moreover, production-related offices, locations for development and social rooms are also planned. Trucks can directly access the building via ramps, and it is connected to the high-bay warehouse in "ZUGgate" via a tunnel connection.



Buran: new refrigerator factory in Sulgen

Construction process and milestones

Following the acquisition of the refrigerator plant from the Arbonia Group in 2013, a new production site had to be found due to its fixed-term lease. In Sulgen, V-ZUG Assets AG was able to acquire another property next to the properties used by Belimed AG (Metall Zug Group). The newly acquired site with a total of 16,975 m² of space created the basis for the construction of the new refrigerator factory building. In 2016, the general planner Burckhardt + Partner AG was hired to plan a space-optimising new building with the aim of automating and optimising production processes. The land, which was previously used for agriculture, had to be connected to all supply lines and

disposal pipes, such as gas, water, electricity, fresh water and wastewater. The ground-breaking ceremony was held in 2018. After a construction period of approximately two years, the new building was handed over to V-ZUG Kühltechnik AG for the operating equipment installation and commissioning in October 2020. Most of the building materials were procured at an economically very good time – prior to the outbreak of the pandemic. This meant construction costs were significantly lower than expected.

The new building in Sulgen has been named after the “Buran” blizzard, which blows from the north-east, particularly in the steppes and desert areas in Xinjiang in north-west China, in the lower Volga, in Kazakhstan and in Western Siberia. The icy cold blizzard draws an analogy to the refrigerators and is also

reflected in the building’s facade, which is kept white. The new building incorporates a production and storage building and office space. The three-storey office section also includes a staff restaurant and an inviting area for receiving business partners, known as the “Buran Lounge”. Generous skylights in the roof and vertical ribbon windows in the facade create a light and friendly working atmosphere in the production facility, which has 10,200 m² of space. The high-bay warehouse marks the highest point of the new building at 18 metres. With an area of 16,800 m², the roof offers space for a large 537 kWp photovoltaic system. Thanks to the possibility of using groundwater, up to 80% of the building’s annual heating requirements can be provided with sustainable heat pump technology.



“V-ZUG Kühltechnik AG continues to be committed to the business location of Thurgau, Switzerland. This decision is to be welcomed, as is the long-term strategy that the dynamic flagship company is pursuing with its new building in Sulgen, responsibly investing in environmental infrastructure and environmentally-friendly production processes to optimise its CO₂ footprint.”

Cantonal Council Member Walter Schönholzer, Head of the Department of Home and Economic Affairs, Canton of Thurgau



Container foam facility for insulation and reinforcement of refrigerators

Efficient processes and state-of-the-art production facilities

The “Buran” project was holistically planned and completed using a greenfield approach. The implementation of organisational and construction measures and the use of new technologies will result in more efficient and more effective development and manufacturing processes at V-ZUG Kühltechnik AG’s new site in Sulgen. Changes of processes have already been realised in Arbon, meaning that employees have already been able to adjust to the situation at the new production site. To facilitate communication between employees, meeting areas have been created to promote open and professional communication so as to maintain and increase workplace and product quality.

The production facilities are equipped with state-of-the-art technology and set new standards. The set-up times for the tool exchange process are short and ensure very high availability and utilisation of the facilities. The production flow follows a clear, logical and stringent structure. The products can be tracked in the whole factory at any time by means of identification codes. Driverless logistics systems handle the coordination and transportation to the final test. New systems and testing mechanisms, with which higher product quality can be achieved, were also used in the manufacturing process. It has also been possible to make optimisations in terms of work ergonomics and lighting workplaces. The laboratories and development facilities are state of the art and increase both the development speed and the quality of products. Parts of the new refrigerator factory

building were handed over for operation during the reporting year. As a result of the start-up of all the operating facilities, the new “Arctic” generation of appliances has been produced entirely in Sulgen since December 2021. The relocation of production presented V-ZUG Kühltechnik with major logistical challenges, as the tools required for the production of refrigerators needed to be temporarily moved from Arbon to Sulgen at full capacity to carry out tests without this impacting ongoing production operations. The full transfer of operations from Arbon to Sulgen is scheduled for completion by the end of the first quarter of 2022.

Sustainability



Sustainability – embedded in the future

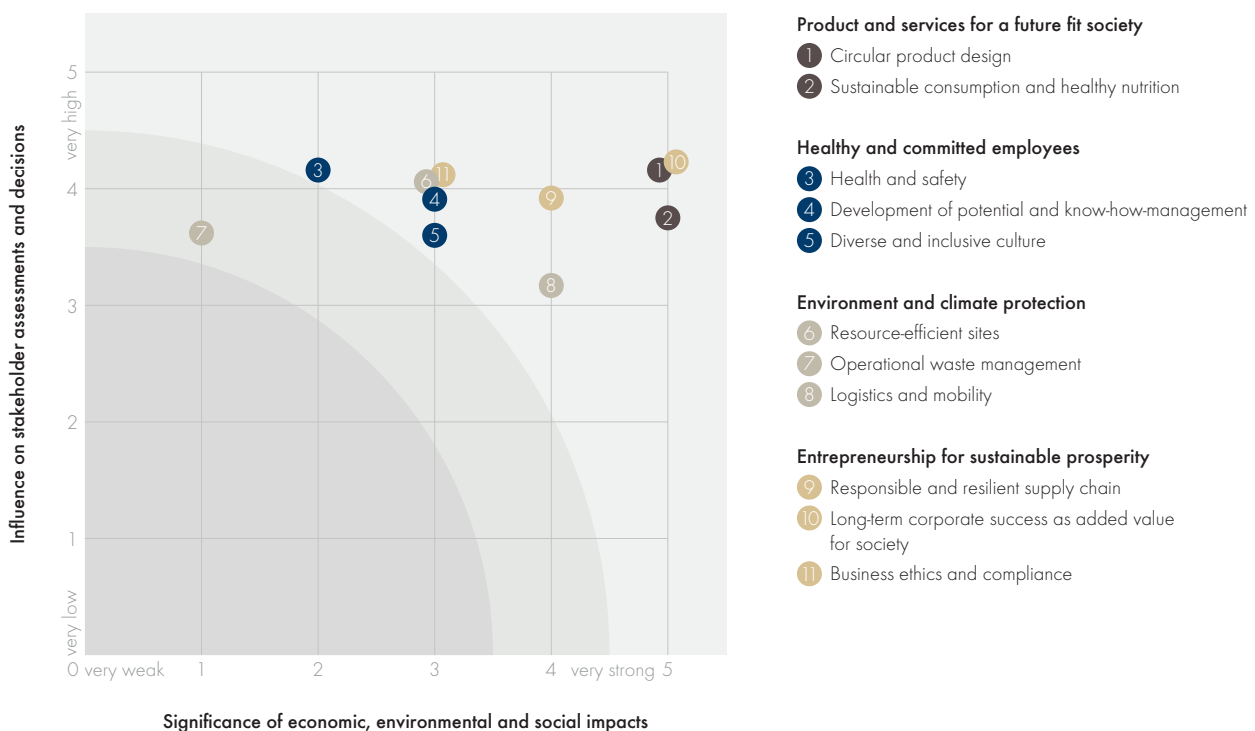
With around 5.5 million appliances in active use, on average one V-ZUG appliance can be found in every Swiss home. This popularity brings responsibility, so for many years now we have been committed to a healthy commercial future – for the environment, our employees and society.

Sustainability means more to us than just our environmental footprint – we want to contribute to a society that is fit for the future, and we see sustainability as a holistic concept that includes our entire value chain. To be more precise, we are investing in the well-being of everyone, primarily our employees, but also everyone with whom we work and we are openly committed to an investment strategy that makes our innovation and efficiency gains possible. The site transformation at the production site in Zug (managed by the Tech Cluster Zug), the vertical factory on the same site and the new refrigerator factory in Sulgen are firm evidence of our strong commitment to Switzerland as a business and manufacturing location.

Material issues and 2030 targets

As the last analysis of material sustainability issues was conducted several years ago and our company has realigned its strategy due to its stock market listing, we decided in the reporting year to sharpen up our sustainability priorities. In 2021, we defined a number of fact-based goals for 2030 and set them out in our Roadmap 2025. Both the goals and the Roadmap have been approved by the Executive Committee and the Board of Directors.

As part of the materiality process, we consulted with 68 representatives from different V-ZUG stakeholders: Board of Directors, Executive Committee, employees, customers, partners, suppliers, academia, science, banks and investors. Their impact evaluations are illustrated below. We also looked at several life cycle assessments (see “Transparent reporting”, p.36).



Four focus topics were extrapolated from the materiality matrix, which we then condensed into specific targets:

- Products and services for a future fit society
- Healthy and committed employees
- Environment and climate protection
- Entrepreneurship for sustainable prosperity

As part of this process, we started focusing more on the target of “Products and services for a future fit society”. This includes both “circular product design” and a new aspect, “sustainable consumption and healthy nutrition”. We want to provide our users with more circular, energy-efficient appliances and make it easy and fun to use them in a more environmentally-friendly way. However, we can only do this if we use our strength as a financially sound company to be innovative and make investments that focus on the future. We therefore see our long-term commercial success as something that creates added value for society, protecting the environment and serving both society and the economy.

CO₂-neutrality for all Swiss-made appliances

In the battle against climate change, there is really only one clear approach: avoid, reduce and offset CO₂. Using this three-pronged approach, V-ZUG has been CO₂ neutral (Scope 1 and 2 under the Greenhouse Gas Protocol) at all three production sites since 2020 – including both internal logistics and business flights. CO₂ neutral means: all residual CO₂ emissions produced as a result of the manufacture of Swiss-made appliances after avoidance and reduction measures are offset in our own forest – the V-Forest in Scotland. We opted for this project because reforestation is currently one of the most effective methods of removing CO₂ from the atmosphere and sequestering it in the long term. To ensure that the offsetting amounts are appropriate, we decided to form a long-term partnership with the Ripa Gar Foundation.

V-ZUG has signed up to the voluntary CO₂ levy that was introduced in 2018 in collaboration with the Metall Zug Group. The companies that have signed up to this contractual mechanism pay CHF 120 into a fund for each tonne of CO₂ that they emit. The fund finances sustainable projects to avoid, reduce and offset emissions. Our V-Forest project is also financed from this fund. Setting up the Multi Energy Hub at the Zug site and moving production to the new refrigerator factory in Sulgen in 2022 will result in significant further reductions in the CO₂ emissions to be offset. To reduce our CO₂ emissions even further, we are planning to produce hydrogen on-site in the not-too-distant future to replace the use of fossil fuels.

Good governance generates momentum

At V-ZUG, we know that despite embedding sustainability in the DNA and culture of the organisation, it will not flourish all by itself. Our Head of Sustainability reports directly to the CEO and leads an interdisciplinary team – the V-ZUG Sustainability Workforce. This dedicated team of representatives from different departments drives the strategic and organisational embedding process and identifies potential innovative projects. In 2021, the team made a significant contribution to the materiality and target-setting process.

Sustainable Development Goals

Our company also contributes to the United Nations 2030 Agenda for Sustainable Development. In 2020, we joined the Swiss Triple Impact initiative (STI) and identified the UN Sustainable Development Goals (SDGs) that are a priority for us.



The priority SDGs of V-ZUG.

Many of our new sustainability targets relate directly or indirectly to the SDGs. We will therefore submit some of our targets as part of the STI initiative, increasing their visibility.

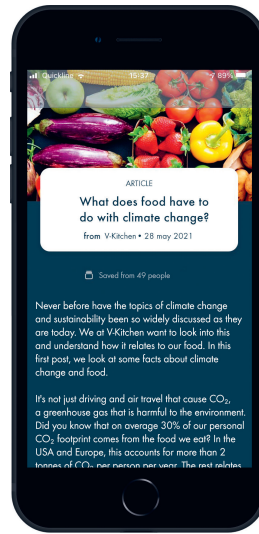
In our sustainability report, which we have published annually since 2012, we provide information on our commitment and the progress we have achieved. The 2021 Sustainability Report will be published in April 2022 (available at: www.vzug.com/ch/en/sustainability) and provides details about our activities in the four focus areas.

2021 Highlights

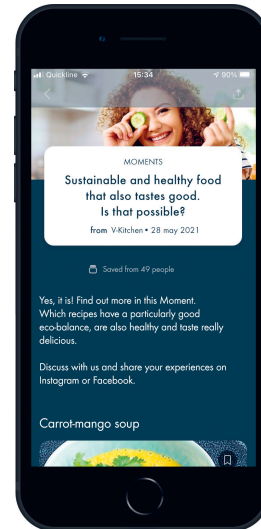
Foodie Coach for sustainable consumption

“V-Kitchen” helps to bring sustainable nutrition into the home. The “Foodie Coach” app offers user-friendly shopping lists and recipes – some of which have food facts on climate-friendly eating, a weekly planner and household tips. The aim is to inspire users to cook healthy, seasonal food. Making better decisions about which food to cook can help to reduce food waste.

“V-Kitchen” was launched in February 2021 and already has more than 7,000 active monthly users. We are working with well-known Swiss names to ensure the very best content, including Annemarie Wildeisen, YouTube star Marcel Paa and highlights from “Cooking for less than 5 Swiss Francs”. We gathered lots of useful feedback in 2021 and in 2022, we look forward to hearing more as the growing “V-Kitchen” community continues to use our products and services.



“V-Kitchen” app



Installation of power facilities for the Multi Energy Hub into the existing warehouse building, “ZUGgate”



Smaller environmental footprint despite growth

The Multi Energy Hub (MEH) in the Tech Cluster Zug is a lighthouse project and will be operated as a joint venture between WWZ AG and Tech Cluster Zug AG (Metall Zug Group). The site grid will provide the innovation district with heating, cooling and renewable electricity from 2022. Since 2021, the power facility has been integrated into the “ZUGgate” warehouse building. Two heat pumps will generate warm and cool air from autumn 2022.

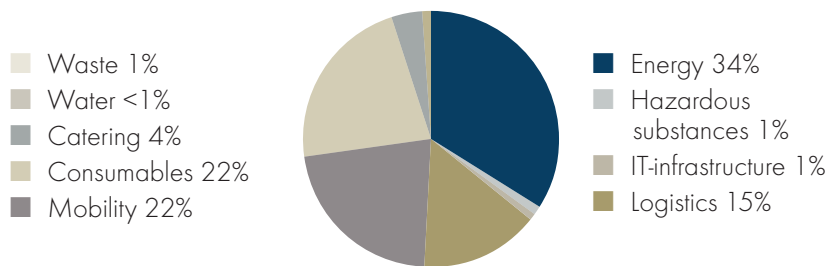
Comparing the 2020 life cycle assessments with predictions for 2033 show that the MEH will enable us to decouple our growth from our environmental footprint. Forecasts show a 60% rise in growth-related energy consumption and a 27% fall in our environmental footprint. To product this forecast, we compared the various environmental impacts of the future heat pumps and the current natural gas heating.

Attention: trip hazard!

Trips and falls at work are generally minor, but according to the Swiss accident insurer Suva, they are the most common causes of accidents, with a quarter of all accidents at work the result of a trip or fall – with high subsequent costs. This Swiss-wide accident statistic is also reflected in V-ZUG’s workplace accidents, so in 2021 we launched an internal accident prevention campaign. This shows the simple preventive measures that we can take to prevent trips and falls. For example, warning signs next to all stairs in V-ZUG buildings remind people to use the handrail. The campaign has been well-received, with some departments already implementing improvements to their safety infrastructure. The overall effect of the campaign will take some time to show, but we expect it to have a positive impact on employees when they are outside work, too.

Transparent reporting

In 2021, we produced operational life cycle assessments for our sites in Zug, Arbon and Changzhou. Together with our product life cycle assessments, these will enable us to quantify the impact that our production processes, products and services have on the environment over the whole life cycle. This is therefore a holistic way of making more efficient use of resources. The most important aim of these life cycle assessments is transparency. Operational life cycle assessments help us to set out clearly the effect of environmental measures across all categories, including energy, transport and logistics. The software used also enables us to calculate the difference that alternative materials would make, thereby facilitating decisions that create a better future. Our strategies, projects and measures will use the sustainability targets set in 2021 to focus even more on reducing our environmental footprint, ideally in a way that is decoupled from operational growth.



Operational life cycle assessment with percentage distribution of environmental impact points per category for the sites at Zug (80%), Arbon (16%) and Changzhou (4%).

Second appliance life for a good cause

Appliances that V-ZUG takes back are recycled appropriately. Employees participating in the 2021 Talent Programme launched the “Refurbishment for Charity” project. They service the returned appliances and then donate them to a charitable or non-profit organisation. In the full spirit of circular economy principles, our service technicians repaired a used CombiCooler V4000 refrigerator for the Bad Knutwil Youth Centre. For almost 100 years, this social organisation has helped young men with behavioural problems to live a positive, independent life. This project also gave V-ZUG an insight into the requirements of the used market. “Refurbishment for Charity” will therefore continue in 2022 and expand into an attractive business model in the second-hand market.

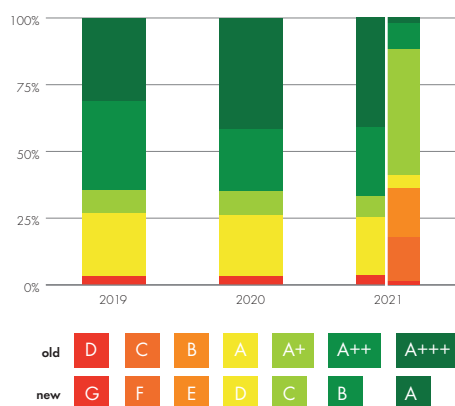
V-ZUG is a fair employer, paying equal wages for equal work

In the reporting year, V-ZUG received official confirmation about maintaining and implementing equal pay for men and women at V-ZUG AG, V-ZUG Kühltechnik AG and SIBIRGroup AG. With the help of an external partner, these three group companies (which employ all V-ZUG employees who work in Switzerland with the exception of the Executive Committee of V-ZUG Holding AG) conducted an internal equal pay analysis in accordance with the amended Gender Equality Act. The audit firm Deloitte evaluated the results and declared them to be in accordance with the law.

Our sustainability at a glance

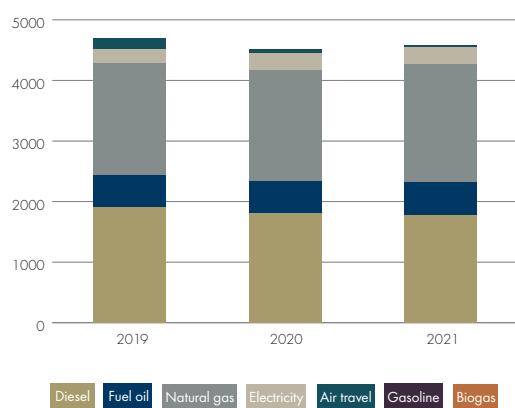
Unless otherwise specified, this information and these figures relate to the three companies V-ZUG AG, V-ZUG Kühltechnik AG and V-ZUG (Changzhou) Domestic Appliances Co., Ltd.

Delivered appliances by energy efficiency class ¹⁾



Up to and including 2021, the proportion of delivered V-ZUG appliances with an energy efficiency rating of A or above has been around 97%. Due to new, significantly stricter energy efficiency regulations, the energy efficiency classes of washing machines, dishwashers and refrigerators were revised in March 2021 (2021, right-hand column). Even after this adjustment, around 58% of the reclassified appliances that V-ZUG sells are in the three highest efficiency classes (A–C), an outstanding achievement in the domestic appliances industry.

Operational CO₂ emissions in tonnes

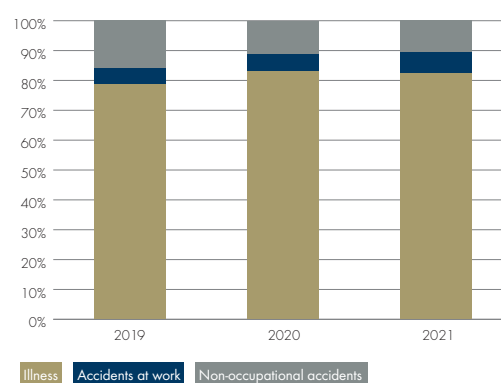


In 2021, direct and indirect CO₂ emissions totalled 4,600 tonnes. Our CO₂ emissions are therefore around the same level as the previous year. The reason for the 2% rise compared to 2020 is the increase in the consumption of natural gas in Zug (use of “Zephyr Hangar” as a new site for surface technology and testing of the new equipment; therefore, parallel use of enamelling oven and buildings). The gradual commissioning of the site in Sulgen – designed to be energy-efficient – while continuing production in Arbon, does not make a significant contribution to the rise in CO₂ emissions.

¹⁾ Applies to V-ZUG appliances with a regulatory energy efficiency classification in accordance with the energy efficiency regulations valid at the end of 2021. To make the products easier to compare, we show revised appliances with both their old and new classification. There are also appliance categories that do not have an energy classification (e.g. hobs, microwaves); these comprise around 18% of all appliances delivered by V-ZUG.

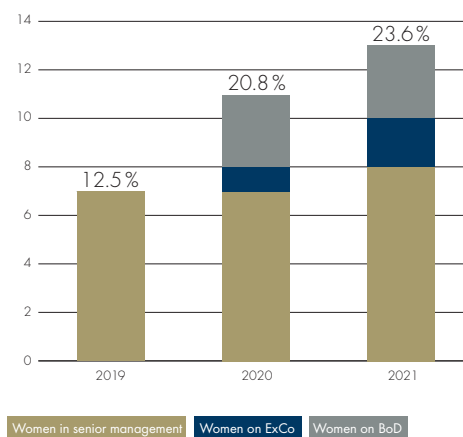
²⁾ With reference to the Board of Directors figures, it should be noted that this only relates to the members of the Board of Directors of V-ZUG Holding AG, established in November 2019 and listed on the stock market since June 2020.

Hours lost due to accidents and illness



The lost hours rate in 2021 was 3.8%, a rise of 0.3% compared with the previous year. The main cause is the increase in workplace accidents with a slow recovery process as a result of injuries to sensitive parts of the body (e.g. wrists and ankles).

Number of women in management roles ²⁾



The proportion of women at top management levels in V-ZUG has risen continuously over the last few years. The above percentages relate to the total number of women on the Board of Directors and Executive Committee and in senior management. Since August 2021, the Executive Committee has comprised two women and six men following the creation of a new marketing function.

Corporate Governance



Corporate Governance Report

All information in this Corporate Governance Report refers to the situation as of 31 December 2021 (the **“Balance Sheet Date”**) or to the 2021 financial year (the **“Reporting Year”**), unless otherwise stated. The V-ZUG Group complies with all the legal and regulatory requirements for corporate governance in Switzerland to which the Group is subject, including the principles of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*, in the latest version as of the Balance Sheet Date in each case (the **“Swiss Code”**).

This Corporate Governance Report refers to V-ZUG Holding AG’s Articles of Association of 29 April 2020 (**“Articles of Association”**) and the Organisational Regulations of 14 May 2020. No material changes occurred between 31 December 2021 and the editorial deadline for this Annual Report, other than the facts disclosed in this report. The content, order and numbering of the following sections correspond to those of the Directive on Information relating to Corporate Governance issued by SIX Swiss Exchange on 18 June 2021 (effective from 1 October 2021).

1 Group structure and shareholders

1.1 Group structure

The operational structure of the V-ZUG Group is outlined on page 10 of this Annual Report. The management organisation of the V-ZUG Group is essentially based on the central responsibility of the Board of Directors and the Executive Committee of V-ZUG Holding AG.

The holding company V-ZUG Holding AG, with registered office in Zug, Switzerland, is the sole listed company in the V-ZUG Group. Its registered shares are listed on the Swiss Reporting Standard of SIX Swiss Exchange, Zurich, Switzerland. More detailed information on V-ZUG Holding AG, including its stock market capitalisation, reporting segment, security number and ISIN, is provided on page 4 of the Annual Report.

The legal group structure and the list of consolidated companies and their non-listed subsidiaries is shown on page 93 of the Financial Report and includes substantial shareholdings.

1.2 Shareholders

As of 31 December 2021, 3,222 shareholders were entered in V-ZUG Holding AG’s share register with voting rights (previous year 2,654). Shares pending registration (shareholders not entered in the share register) amounted to 7.45% as of 31 December 2021 (previous year 8.45%).

All significant shareholders known to V-ZUG Holding AG with voting rights in excess of 3% on 31 December 2021 are listed on page 105 of the Financial Report under the note **“Significant shareholders”**.

In the 2021 financial year, four disclosure notifications were issued in accordance with Article 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 (Financial Market Infrastructure Act, FinMIA) and associated regulations:

- On 23 March 2021, Vontobel Fonds Services AG, Zurich, Switzerland, fell below the reporting threshold of 3% of the voting rights due to its divestment of registered shares in V-ZUG Holding AG.
- On 22 October 2021, Mr Martin Buhofer, Zug, Switzerland, fell below the reporting threshold of 3% of the voting rights due to his divestment of registered shares in V-ZUG Holding AG.

- On 10 November 2021, Metall Zug AG, Zug, Switzerland, issued a disclosure notification due to a change in information subject to the reporting obligation (change of address). As of 31 December 2021, Metall Zug AG held 30.27% of V-ZUG Holding AG (unchanged from the previous year).
- On 17 November 2021, Vontobel Fonds Services AG, Zurich, Switzerland, exceeded the reporting threshold of 3% of the voting rights as a result of the acquisition of registered shares in V-ZUG Holding AG. As of 31 December 2021, Vontobel Fonds Services AG held 3.10% (previous year 3.01%) of the voting rights in V-ZUG Holding AG.

Further details of these disclosure notifications and the initial disclosure notifications in connection with V-ZUG Holding AG's stock market listing can be found on the website of the Disclosure Office and SIX Exchange Regulation (www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html).

1.3 Cross-shareholdings

There are no cross-shareholdings with other companies limited by shares where the capital or voting rights on both sides exceed 5%.

2 Capital structure

2.1 Capital

As of 31 December 2021, the ordinary share capital of V-ZUG Holding AG amounted to CHF 1,735,714.17, divided into 6,428,571 registered shares, each with a nominal value of CHF 0.27 (single share class). The share capital is fully paid up.

2.2 Authorised and conditional capital

V-ZUG Holding AG does not have any authorised or conditional capital.

2.3 Changes in capital

V-ZUG Holding AG was founded on 28 November 2019 (date of entry in the commercial register) by means of a contribution in kind of the V-ZUG Group companies held directly and indirectly by Metall Zug AG.

The contribution in kind is described as follows in the Articles of Association (Article 33 of the Articles of Association):

At the time of incorporation, based on a contribution-in-kind agreement dated 25 November 2019, the company acquired the following assets from Metall Zug AG, with registered office in Zug (CHE-101.865.948):

- 4,000 registered shares in V-ZUG AG, with registered office in Zug (CHE-109.031.450), each with a nominal value of CHF 475.00 at a total book value of CHF 21,008,581.56;
- 100 registered shares in V-ZUG Services AG, with registered office in Zug (CHE-465.409.187), each with a nominal value of CHF 1,000.00 at a total book value of CHF 100,000.00;
- 3,518,590 registered shares in V-ZUG Infra AG, with registered office in Zug (CHE-111.717.232), each with a nominal value of CHF 1.00 at a total book value of CHF 50,000.00;
- 1,000 registered shares in MZ Infra AG,¹⁾ with registered office in Zug (CHE-213.356.967), each with a nominal value of CHF 1,000.00 at a total book value of CHF 4,500,000.00.

CHF 1,215,000.00 of the total value of the contribution in kind of CHF 25,658,581.56 (book value) was used to pay up 4,500,000 registered shares in the company, each with a nominal value of CHF 0.27, and the remaining amount of CHF 24,443,581.56 was posted as a premium (residual capital reserves). In return for its contribution in kind, Metall Zug AG received 4,500,000 fully paid-up registered shares in the company, each with a nominal value of CHF 0.27.

¹⁾ MZ Infra AG was renamed V-ZUG Assets AG in December 2020.

V-ZUG Holding AG also carried out an ordinary capital increase by cash contribution on 29 April 2020. In return for the issue of 1,928,571 registered shares in the company, each with a nominal value of CHF 0.27, Metall Zug AG provided a capital contribution to V-ZUG Holding AG totalling CHF 110.0 million (of which CHF 520,714.17 comprised share capital and CHF 109,479,285.83 comprised a premium or capital contribution reserves, of which around CHF 108.4 million was booked as a capital contribution reserve after the deduction of statutory issue tax).

2.4 Shares and participation certificates

Detailed information regarding V-ZUG Holding AG's shares (the number, type, nominal value and listing information) can be found in section 2.1 above, on page 4 of the Annual Report and in the Financial Report on page 88 under the note "Share capital".

Dividend entitlement is in proportion to the share capital held. Each share entitles the holder to one vote. The shares are fully paid up.

V-ZUG Holding AG has not issued any participation certificates.

2.5 Profit-sharing certificates

V-ZUG Holding AG has not issued any profit-sharing certificates.

2.6 Limitations on transferability and nominee registrations

In relation to the company, only parties registered in the share register are recognised as shareholders. In accordance with Article 7 of the Articles of Association, the transferability of registered shares is restricted as follows:

On request, acquirers of registered shares are registered in the share register as shareholders with the right to vote, provided that:

- the recognition of an acquirer as a shareholder, according to the information available to the company, does not or could not prevent the company and/or its subsidiaries from providing the evidence required by law regarding the composition of its shareholder base and/or beneficial owners. The company particularly reserves the right to refuse entry in the share register if acquirers do not prove that they are not foreign non-residents pursuant to the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents of 16 December 1983 (ANRA) and if the company considers such registration could obstruct, threaten or prevent the provision of statutory evidence regarding Swiss control of the company, and
- they expressly declare that they have acquired the registered shares in their own name or for their own account.

After hearing the parties involved, the company may delete entries in the share register with retroactive effect from the date of the entry if these entries came about due to false information supplied by the acquirer. The acquirer must be informed of the deletion immediately.

In the 2021 financial year, V-ZUG Holding AG did not decline any transfers or grant any exceptions.

V-ZUG Holding AG does not offer any nominee registrations. To date, no need has been expressed by shareholders for registrations of this kind.

For the procedure and conditions for removing restrictions on transferability, see section 6.2 of this Corporate Governance Report.

2.7 Convertible bonds and options

V-ZUG Holding AG does not have any convertible bonds or options outstanding.

3 Board of Directors

3.1 Members of the Board of Directors

In accordance with Article 16 para. 1 of the Articles of Association, the Board of Directors of V-ZUG Holding AG consists of at least three members. Since the Annual General Meeting on 19 May 2020, it has consisted of the following members, who have their business addresses at the company's headquarters (Industriestrasse 66, 6302 Zug) and were re-elected by the Annual General Meeting on 29 April 2021.

All members of the Board of Directors are non-executive; in other words, they do not hold any operational management function at V-ZUG Holding AG or any other V-ZUG Group company.

With the exception of Jürg Werner, the members of the Board of Directors did not belong to the Executive Committee of V-ZUG Holding AG or that of any other company within the V-ZUG Group or the Metall Zug Group during the three previous financial years and have no significant business links with the V-ZUG Group or the Metall Zug Group. Until 31 March 2020, Jürg Werner held the post of CEO at Metall Zug AG and was involved in operational matters concerning the V-ZUG Group in this capacity. All other members of the Board of Directors can be considered to be independent as defined in Article 14 of the Swiss Code.

3.2 Other activities and interests

Apart from the functions mentioned above, none of the members of the Board of Directors has a permanent management or advisory function for an important Swiss or foreign interest group, nor an official function or political post.

3.3 Number of permitted additional mandates (Board of Directors)

In accordance with Article 26 of the Articles of Association, the number of permitted activities for members of the Board of Directors and the Executive Committee in top supervisory or management bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and that are not controlled by the company or do not control the company is restricted as follows:

Type of mandates	Number per member BoD/Executive Committee
Mandates in listed companies	5
Remunerated mandates in other, non-listed legal entities	15
Mandates in non-profit or charitable legal entities (such as associations and other charitable, social, cultural or sports organisations, professional or industry associations, foundations, trusts and pension schemes) outside the V-ZUG Group	10

Mandates are classed as such if they are held in the highest management body of a legal entity. Mandates in a number of different legal entities under uniform control count as a single mandate. If the company holds an ownership interest in another company and a member of the Board of Directors or the Executive Committee holds a mandate in such a company on the instructions of and in the interests of the company, such a mandate does not count as an additional mandate. The above numbers are cumulative; the mandate at V-ZUG Group does not count towards these figures. In calculating the number of mandates, a chairmanship counts double. Members of the Executive Committee generally require the approval of the Board of Directors for external mandates.

Board of Directors



OLIVER RIEMENSCHNEIDER **(CH/DE) BORN 1962**

Dipl. Ing. (MSc in Engineering) from ETH Zurich; MBA from City University, Bellevue, Washington (US).

- Chairman of the Board of Directors (non-executive), independent member
- First elected to the Board of Directors: 2019
- Elected until: 2022 Annual General Meeting

Professional background

Senior Advisor to the President of the Process Automation division at ABB Group, Zurich, since March 2022; President of the Turbocharging division at ABB Group, Zurich, 2011 – February 2022; various management roles at ABB Group, Zurich, of which seven years in Japan, 1991 – 2011.

Other positions within the V-ZUG Group

Member of the Board of Directors of V-ZUG AG, Zug, May 2019 – October 2020 (Chairman from September 2019); member of the Board of Directors of SIBIRGroup AG, Spreitenbach, September 2019 – October 2020; member of the Board of Directors of V-ZUG Kühltechnik AG, Arbon, September 2019 – October 2020.

Other activities in management and supervisory bodies

President of the Swissmem Internal Combustion Engines specialist group, Zurich; member of the Management Board of VDMA Motoren und Systeme, Frankfurt am Main (DE).



ANNELIES HÄCKI BUHOFER **(CH) BORN 1954**

Doctorate in Philosophy (PD Dr. phil. I), University of Zurich/post-doctoral lecturing qualification.

- Member of the Board of Directors (non-executive), independent member
- First elected to the Board of Directors: 2020
- Elected until: 2022 Annual General Meeting

Professional background

Full professor of German linguistics at the University of Basel and various management roles in the Faculty of Philosophy and History, 1989 – 2015; various activities in management bodies of national and international specialist associations, 1989 – 2020; member of the Research Council of the Swiss National Science Foundation, 2010 – 2016.

Other positions within the V-ZUG Group

Member of the Audit Committee; member of the Board of Directors of V-ZUG AG, Zug, May 2016 – May 2020.

Other activities in management and supervisory bodies

Chairman of the Board of Directors of BURU Holding AG, Hagedorn/Cham; member of the Board of Directors of Zug Estates Holding AG, Zug; member of the Board of Directors of Cham Group AG, Cham; member of the boards of directors of additional unlisted companies.



**PRISCA HAFNER
(CH) BORN 1967**

Federal Diploma of Higher Education in Finance & Accounting; Commercial Business School Schwyz, Diploma in Human Resources Management and CAS Executive Coaching Institute of Applied Psychology (IAP/ZHAW), Zurich.

- Member of the Board of Directors (non-executive), independent member
- First elected to the Board of Directors: 2020
- Elected until: 2022 Annual General Meeting

Professional background

Independent consultant in HR, leadership & transformation, since April 2020; Chief Human Resource Officer at the COMET Group, Flamatt, 2018 - March 2020; Global Head of Human Resources at Oerlikon Surface Solutions and Oerlikon Balzers, Balzers (LI), 2008 - 2016; various HR roles at Credit Suisse in Zurich and London (UK), 1990 - 2007.

Other positions within the V-ZUG Group

Chair of the Human Resources & Compensation Committee.

Other activities in management and supervisory bodies

No significant activities.



**TOBIAS KNECHTLE
(CH) BORN 1972**

Degree in political science (lic. rer. pol.), University of Bern.

- Member of the Board of Directors (non-executive), independent member
- First elected to the Board of Directors: 2020
- Elected until: 2022 Annual General Meeting

Professional background

CFO at the Geberit Group, Rapperswil-Jona, since January 2022 (employed since November 2021); partner and CFO a.i. at Innoterra AG, Zug, October 2020 - September 2021; CFO and member of the Group Executive Board of the Valora Group, Muttenz, 2014 - 2019; Senior Vice President and Vice President Finance at the Kudelski Group, Cheseaux-sur-Lausanne, 2009-2014; principal and ultimately also managing director of Cinven Private Equity in Frankfurt am Main (DE) and London (UK), 2005 - 2009; The Boston Consulting Group in Zurich and São Paulo (BR), 1998-2005; auditor and audit team leader with a global remit at the Nestlé Group, Vevey, 1995-1998.

Other positions within the V-ZUG Group

Chair of the Audit Committee.

Other activities in management and supervisory bodies

No significant activities.



PETRA RUMPF
(DE/CH) BORN 1967

Bachelor of Economics, University of Trier (DE); MBA from Clark University, Worcester (US).

- Member of the Board of Directors (non-executive), independent member
- First elected to the Board of Directors: 2020
- Elected until: 2022 Annual General Meeting

Professional background

Member of the Executive Committee of the Straumann Group, Basel, 2015 - December 2020 (Global Head of Dental Service Organisations, 2018 - December 2020; Global Head of Intradent & Strategic Alliances, 2015 - 2018); member of the Executive Committee of Nobel Biocare, Zurich, ultimately as Global Head of Corporate Development and Special Channels, 2007 - 2015; various roles at Capgemini Consulting, Zurich, ultimately as Vice President Strategy & Transformation Central Europe, 1991 - 2007.

Other positions within the V-ZUG Group

Chair of the Digitalisation Advisory Board.

Other activities in management and supervisory bodies

Member of the Board of Directors of Straumann Holding AG, Basel; member of the Board of Directors of SHL Medical AG, Zug; member of the Advisory Board of Limacorporate S.p.A., Udinese (IT); member of the Board of Directors of Unilabs Holding AB, Stockholm (SE).



JÜRIG WERNER
(CH) BORN 1956

Doctor of Sciences & Technology (Dr. sc. tech.), ETH Zurich; postgraduate diploma in business management at the University of Lucerne.

- Member of the Board of Directors (non-executive), non-independent member
- First elected to the Board of Directors: 2019
- Elected until: 2022 Annual General Meeting

Professional background and previous operational activities within the V-ZUG Group

CEO of Metall Zug AG, Zug, 2012 - March 2020; CEO of V-ZUG AG, Zug, 2010 - 2013; COO of V-ZUG AG, Zug, 2010; Head of Development and Member of the Executive Committee of V-ZUG AG, Zug, 1996 - 2009.

Other positions within the V-ZUG Group

Member Human Resources & Compensation Committee; member Board of Directors of V-ZUG AG, Zug, 2013 - May 2020 (Chairman until September 2019); member of the Board of Directors V-ZUG Kühltechnik AG, Sulgen, 2013 - March 2022 (Chairman until December 2020) as well as advisor to the Executive Committee of V-ZUG Kühltechnik AG, Sulgen, in 2021.

Other activities in management and supervisory bodies

President of the Swiss Association for Standardisation SNV, Winterthur (until 1 June 2021), member of the Industrial Advisory Board of the Dept. of Mechanical and Process Engineering, ETH Zurich; elected full member of the Swiss Academy of Engineering Sciences (SATW), Zurich; Chairman of the Board of Directors of Schleuniger AG, Thun; member of the Board of Directors of Haag-Streit Holding AG, Köniz; member of management and supervisory bodies of other Metall Zug group companies.

3.4 Elections and terms of office

Members of the Board of Directors are elected by the General Meeting on an individual basis and for a period of one year in each case. They may be re-elected at any time but automatically retire upon reaching the age of 70, i. e. on the date of the subsequent Annual General Meeting. The Chairman of the Board of Directors, the members of the Human Resources & Compensation Committee and the independent representative are each elected directly by the General Meeting for a term of one year (Articles 9, 14 and 16 of the Articles of Association).

3.5 Internal organisational structure

According to the law, the Board of Directors holds the highest decision-making power and specifies, amongst other things, the organisational, financial planning and accounting policies that companies of the V-ZUG Group must comply with. Decisions are made by the entire Board of Directors with the assistance of the Executive Committee and two committees: the Audit Committee and the Human Resources & Compensation Committee. The latter is assigned all the duties and responsibilities imposed on compensation committees by the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares of 20 November 2013 ("ERCO"). The Board of Directors is responsible for overall supervision and, among other things, exerts an influence on the strategic direction of the V-ZUG Group, allocates financial resources, appoints the members of the Executive Committee and is involved in filling further top executive positions. The Board of Directors may issue rules, guidelines and recommendations for the purpose of realising a coherent business policy.

Full Board of Directors

The Board of Directors has delegated the management of day-to-day business for the V-ZUG Group to the Executive Committee. The Board of Directors generally meets quarterly. The Board of Directors met in person at four ordinary half-day meetings in the 2021 financial year. In addition, the Board of Directors held three extraordinary meetings by video conference or conference call, each lasting around one and a half to two hours. The Board of Directors addressed selected topics relating to the V-ZUG Group's strategy on the occasion of two separate workshops in May (a full day) and in September (a half-day) together with the Executive Committee. With the exception of a video conference, from which one member excused themselves, the Board of Directors was fully represented at all meetings, video conferences and conference calls in the Reporting Year.

The agenda items for the meetings of the Board of Directors are specified by the Chairman and prepared by the Secretary together with the Executive Committee. Every member of the Board of Directors plus the CEO or the CFO are entitled to request the convocation of a meeting, stating its purpose. As a rule, the members of the Board of Directors receive an invitation no later than ten days prior to the Board meeting, along with the documentation that allows them to prepare for the discussion of the agenda items. Furthermore, the Board of Directors can take decisions by circular vote.

Each year, the Board of Directors undertakes a self-assessment in which, in particular, the Board of Director's structure, method of working and fulfilment of responsibilities but also the collaboration between the Board of Directors and the Executive Committee and the organisation of the meetings of the Board of Directors are analysed and discussed in detail.

Audit Committee

The Audit Committee met in person at four ordinary meetings in the 2021 financial year and held six ordinary meetings via video conference or conference call. Half-day in-person meetings are usually held once a quarter, with monthly video conferences or conference calls that last around one hour taking place in between. The Audit Committee makes an independent assessment of the quality of the annual financial statements and discusses these with the Executive Committee and the external auditors. It proposes to the Board of Directors whether the financial statements may be recommended for submission to the General Meeting. The Audit Committee nominates the internal auditors, determines the organisation of the internal audit, assigns tasks to it and forwards its reports to the entire Board of Directors. It specifies the audit plan and audit scope of the internal and external auditors and evaluates their cooperation and effectiveness. The Audit Committee assesses the effectiveness of the internal control system, including risk management, and evaluates compliance with laws, regulations and accounting standards, as well as adherence to internal rules and directives. It assesses the external auditors' performance and their remuneration. The Audit Committee ensures that the external auditors are independent and assesses the compatibility of their auditing function with any advisory mandates. The Audit Committee also undertakes additional tasks in accordance with internal regulations (not publicly available).

The members of the Audit Committee are Tobias Knechtle (Chair) and Annelies Häcki Buhofer. In addition to the CEO and CFO, a representative from Group Legal & Compliance (usually simultaneously the secretary of the Audit Committee) and a representative from Group Finance & Controlling plus representatives from the external auditors and the internal audit department also take part in Audit Committee meetings. With the exception of a video and telephone conference, from which one member excused themselves, the members of the Audit Committee were fully represented at all meetings, video conferences and conference calls in the Reporting Year.

Human Resources & Compensation Committee

The Human Resources & Compensation Committee met in person at four ordinary meetings in the Reporting Year and held two ordinary meetings and one extraordinary meeting by video conference or conference call. One half-day in-person meeting and two video conferences or conference calls that last around an hour to an hour and a half are usually held each quarter. As well as performing the duties and responsibilities assigned to the compensation committee under ERCO, the Human Resources & Compensation Committee develops the principles of corporate governance, which are then submitted to the Board of Directors for approval. This includes a periodic review of the composition and size of the Board of Directors and its committees and of the Executive Committee. The Human Resources & Compensation Committee also submits proposals to the Board of Directors for qualified candidates for various committees. It also submits proposals to the Board of Directors for the remuneration of the Board of Directors and the Executive Committee. It develops and reviews the objectives and principles of the company's human resources policy for the attention of the Board of Directors, prepares the appointment of members of the Executive Committee and approves selected personnel decisions. Finally, it reviews the basic structures in the area of the pension fund with regard to the scope and content of benefits, reviews the annual appraisal of members of the Executive Committee and keeps itself informed about personnel development and HR succession planning. The Human Resources & Compensation Committee also undertakes additional tasks in accordance with internal regulations (not publicly available).

The Human Resources & Compensation Committee consists of Prisca Hafner (Chair) and Jürg Werner (member). As permanent guests, the CEO, CFO and Chief Human Resources Officer take part in meetings of the Human Resources & Compensation Committee, except when matters are being discussed that affect those people themselves. The members of the Human Resources & Compensation Committee were fully represented at all meetings, video conferences and conference calls in the Reporting Year.

3.6 Definition of areas of responsibility

The V-ZUG Group is managed as a group, with the CEO and the Executive Committee being operationally responsible for management and target attainment. The Executive Committee's remit is essentially universal. Although the Board of Directors may be responsible, the Executive Committee is responsible for conceptual initiatives and takes advantage of promising business opportunities until the point of decision is reached.

In order to define the areas of responsibility between the Board of Directors and the Executive Committee, the Board of Directors has issued Organisational Regulations. These Organisational Regulations contain fundamental compliance principles that are valid for the entire V-ZUG Group. They form the legal basis for issuing further regulations and make reference to them. The Organisational Regulations are supplemented by a comprehensive competence matrix that defines the responsibilities and powers of the various committees and bodies within the V-ZUG Group in general and also for different business operations. If existing regulations at subsidiary level have not yet been modified in line with the Organisational Regulations and the competence matrix at Group level, the latter will take precedence.

The Organisational Regulations dated 14 May 2020 can be found at www.vzug.com/ch/en/corporate-governance in their current version, which has continued to apply unchanged since 1 June 2020. The competence matrix is not publicly available.

3.7 Information and control instruments vis-a-vis the Executive Committee

Extensive management information is compiled within the V-ZUG Group every six months in the form of consolidated financial statements for the V-ZUG Group (income statement, balance sheet and cash flow statement). These consist of the two segments Household Appliances and Real Estate plus the Corporate reporting segment (see page 74 in the Financial Report). The half-yearly financial statements are submitted to the Audit Committee and the Board of Directors and are explained in detail by the Executive Committee. The results are compared with the prior-year period and the budget. The budgets are reviewed several times a year in the form of extrapolations to establish how attainable they are. Regular reports are made to the Board of Directors and the Executive Committee concerning the results and progress towards budget attainment. Each month, the Chairman of the Board of Directors and the members of the Audit Committee receive key performance indicators (in the form of a "cockpit") and written comments on business progress and other aspects of the operational business and the relevant market environment. The entire Board of Directors receives this information at each ordinary Board meeting. At these meetings, the Executive Committee provides extensive information on business operations. The subsidiaries' individual financial statements, which are prepared each month, form the basis of the V-ZUG Group's consolidated financial statements. The annual financial statements of the individual subsidiaries are presented to the Audit Committee once a year.

The internal audit conducts regular audits. The results of these audits are discussed in detail with the Executive Committee and the key measures are agreed. The Chairman of the Board of Directors, members of the Audit Committee, members of the Executive Committee and other line managers of the head of the audited unit receive a copy of the audit report. In addition, the reports and the key measures agreed are discussed by the Audit Committee. The internal audit reports administratively to the CFO but reports on functional matters directly to the Chair of the Audit Committee. Four internal audits were conducted in the Reporting Year.

The V-ZUG Group has an appropriate system for monitoring and managing the risks associated with the company's activities. Risk management is a structured process that essentially encompasses all hierarchical levels. This process involves risk identification, risk analysis, risk management and risk reporting. The Executive Committee is responsible for monitoring and managing risks at an operational level. Particular people are assigned responsibility for significant individual risks. They take specific measures to manage these risks and monitor their implementation. On behalf of the Audit Committee, a risk report is drawn up and submitted to the Board of Directors at regular intervals, usually once a year.

In terms of insurance, companies of the V-ZUG Group have risk-appropriate cover in line with industry standards and, in particular, are insured appropriately against operational risks such as damage to property, business interruption and third-party liability.

In terms of business risks, the V-ZUG Group deals with interest rate and currency risks in addition to those risks identified under the risk management system described above. Currency risks are assessed centrally by the CFO in consultation with the Chair of the Audit Committee and hedged on a case-by-case basis as appropriate.

4. Executive Committee

4.1 Members of the Executive Committee

The Executive Committee of V-ZUG Holding AG currently consists of eight members. The following changes to the Executive Committee of the V-ZUG Group were made in the 2021 financial year: Max Herger, Senior Vice President Operations, left the V-ZUG Group at the end of August 2021 to take early retirement. As his successor and a new member of the Executive Committee, Adrian Theiler was appointed as the new Chief Operations Officer at the start of July 2021. Manuel Faeh, Senior Vice President Business Development, left the V-ZUG Group at the end of July 2021. The position of the Senior Vice President Business Development has not been filled. Instead, the Executive Committee was completed through the appointment of Nathalie Noël in the newly created role of Chief Marketing Officer at the start of August 2021. In the course of these changes, the names of the various roles were also amended slightly.

4.2 Other activities and interests

Details of the other activities and vested interests of the current members of the Executive Committee and those who left during the Reporting Year can be found below. Various Executive Committee members hold positions in management and supervisory bodies in various V-ZUG Group subsidiaries. Apart from the activities and interests mentioned below, none of the members of the Executive Committee has a permanent management or advisory role at an important interest group, nor an official function or political post.

4.3 Number of permitted additional mandates (Executive Committee)

The number of permitted activities for members of the Executive Committee in top supervisory or management bodies of legal entities corresponds to the rules for members of the Board of Directors, which are explained in section 3.3 of this Corporate Governance Report.

4.4 Management contracts

V-ZUG Holding AG has not concluded any management contracts with third parties.

The executive management of the two real estate companies within the V-ZUG Group (V-ZUG Infra AG and V-ZUG Assets AG) is contractually delegated to Tech Cluster Zug AG (a subsidiary of Metall Zug AG, Zug) through these until at least the end of 2027, under the supervision of the boards of directors of the two real estate companies and V-ZUG Holding AG. Further details of this arrangement can be found in the Real Estate segment report on pages 27 and 28 of this Annual Report and on page 97 of the Financial Report under the note "Details of charging between the V-ZUG Group and related third parties".

Executive Committee



**PETER SPIRIG
(CH) BORN 1973**

Dipl. Bau-Ing. (MSc in Civil Engineering) ETH Zurich;
MBA INSEAD, Fontainebleau (FR).

Chief Executive Officer (CEO) of the V-ZUG Group since
1 September 2020.

Professional background

Member of the Group Management and Head of the
Doors Division at Arbonia AG, Arbon, 2016 - 2020;
member of the Group Executive Board of the Franke
Group, Aarburg and President of Franke Asia in Hong
Kong, 2013 - 2016; President of Franke Food Service
Systems Asia, Hong Kong, 2009 - 2013; various roles
at the Holcim Group, Rapperswil-Jona, in Jona/Zurich
and Sri Lanka, ultimately as CEO of Holcim (Lanka) Ltd. in
Colombo (LK), 2002 - 2009.

Previous activities for the V-ZUG Group

None.

**Activities in management and supervisory bodies
outside of the V-ZUG Group**

Member of Management Board of the Swiss Association
for Electrical Household and Commercial Appliances
(FEA), Zurich; member of the Board of Trustees of the
SENS Foundation, Aarau.



**ALBERTO BERTOZ
(IT) BORN 1974**

Degree in electrical engineering, Politecnico Torino (IT);
Executive MBA, MIB School of Management Trieste (IT).

Chief International Officer and member of the Executive
Committee of the V-ZUG Group since July 2018.

**Professional background and previous
activities for the V-ZUG Group**

Various roles at the V-ZUG Group, including as Regional
Managing Director Asia, Managing Director Greater
China and Head of IPO (International Procurement Office)
Asia-Pacific, 2012 - 2018; Head of Business and
Development and Head of Product Development at Marce-
gaglia Imat SpA, Fontanafredda (IT), 2007 - 2012.

**Activities in management and supervisory bodies
outside of the V-ZUG Group**

No significant activities.



**ATTILA CASTIGLIONI
(CH) BORN 1969**

Global Executive MBA HSG, University of St. Gallen; SKU Advanced Management Programme, business administration degree from HWV, St. Gallen.

Chief Sales and Service Officer and member of the Executive Committee of the V-ZUG Group since 2015.

Professional background and previous activities for the V-ZUG Group

Divisional Head of Marketing at V-ZUG AG, Zug, 2011 - 2015; various management and sales roles at IBM (Schweiz) AG, Zurich, 1995 - 2011.

Activities in management and supervisory bodies outside of the V-ZUG Group

Member of the boards of directors of Emil Ebnetter & Co. AG, Schwende, and Appenzeller Alpenbitter AG, Schwende; member of the Management Committee of Verband Küche Schweiz, Ebikon.



**SANDRA FORSTER
(CH/IT) BORN 1971**

Degree in law (lic. iur.), University of Zurich, postgraduate degree (MAS/CAS) in human resources and organisational development, ZHAW-IAP Zurich, Executive MBA from the University of St. Gallen.

Chief Human Resources Officer and member of the Executive Committee of the V-ZUG Group since November 2020.

Professional background

Head of People & Culture and member of the Executive Committee of ISS Schweiz AG, Zurich, April 2020 - October 2020; Head of Human Resources and member of the Executive Committee of Hilti (Schweiz) AG, Adliswil, 2013 - July 2019; various personnel roles at Swiss Re, Zurich, 2007 - 2013; Vice President and member of the Executive Committee of Rail Gourmet Holding AG, Kloten, 2001 - 2006.

Previous activities for the V-ZUG Group

None.

Activities in management and supervisory bodies outside of the V-ZUG Group

No significant activities.



**ADRIAN INEICHEN
(CH) BORN 1973**

Swiss certified expert for accounting and controlling;
Swiss certified specialist for finance and accounting, KV
Business School, Zurich.

Chief Financial Officer (CFO) and member of the
Executive Committee of the V-ZUG Group since 2015;
Head of the Real Estate segment.

**Professional background and previous
activities for the V-ZUG Group**

Head of Finance & Controlling at V-ZUG (Shanghai)
Domestic Appliance Co., Ltd., Shanghai (CN), 2014
- 2015; Head of Finance and Accounting at V-ZUG
AG, Zug, 2005 - 2014; various roles as a controller at
Panalpina, Basel and Hong Kong, 2002 - 2005; various
roles in management and controller positions at Collano
Adhesive, Sempach, 1992 - 2002.

Activities in management and supervisory bodies

President of the Board of Trustees of the pension fund of
V-ZUG AG, Zug; member of the Board of Trustees of the
welfare fund of V-ZUG AG, Zug.



**STEPHAN KELLER
(CH) BORN 1969**

Dipl. Masch.-Ing. (MSc in Mechanical Engineering) ETH
Zurich.

Senior Vice President Development and member of the
Executive Committee of the V-ZUG Group since 2013.

**Professional background and previous
activities for the V-ZUG Group**

Member of the Executive Committee of the V-ZUG Group
with alternating responsibilities for the areas of operations
and product development since 2013; various roles at
Robert Bosch GmbH, Solothurn, Stuttgart (DE), Hangzhou
(CN) and Frauenfeld, amongst others, as Vice President
with responsibility for product development, corporate
research and accessories and abrasives worldwide,
1995 - 2013.

**Activities in management and supervisory bodies
outside of the V-ZUG Group**

Member of the Management Committee of Swissmem,
Zurich; member of the Governing Council of Lucerne
University of Applied Sciences and Arts; member of the
Scientific Advisory Board CSEM, Neuchâtel.



NATHALIE NOËL
(BE/FR/BR) BORN 1985

Master of Arts Marketing & Market Studies, Sciences Po, Paris (FR); Bachelor of Arts War Studies & European Studies, King's College, London (UK).

Chief Marketing Officer and member of the Executive Committee of the V-ZUG Group since July 2021.

Professional background

Management positions in marketing at the Vitra Group, Basel, ultimately from 2018 as Global Head of Marketing, April 2016 - July 2021; Marketing Director at Taschen GmbH, Cologne (DE), 2013 - 2015; various roles in sales, marketing and product management at L'Oréal Group, Paris (FR), 2008 - 2013.

Previous activities for the V-ZUG Group

None.

Activities in management and supervisory bodies outside of the V-ZUG Group

No significant activities.



ADRIAN THEILER
(CH) BORN 1972

Dipl. Betr.- u. Prod.-Ing. (MSc in Industrial Management and Manufacturing) ETH Zurich; Executive MBA from the University of Zurich.

Chief Operations Officer and member of the Executive Committee of the V-ZUG Group since July 2021.

Professional background

Various management roles at Landis+Gyr AG, Zug, ultimately as Vice President Supply Chain Management EMEA, 2003 - July 2021; self-employed supply-chain and management advisor, 2002-2003; project manager and logistics coordinator for The Nuance Group AG in Zurich and Sydney (AU), 2001-2002.

Previous activities for the V-ZUG Group

None.

Activities in management and supervisory bodies outside of the V-ZUG Group

No significant activities.

Members retired from Executive Committee in Reporting Year

MANUEL FAEH (CH) BORN 1978

Dipl. Betr.- u. Prod.-Ing. (MSc in Industrial Management and Manufacturing) ETH Zurich.

Senior Vice President Business Development and member of the Executive Committee of the V-ZUG Group, 2016 - July 2021.

Professional background

Head of Business Development at Metall Zug AG, Zug, 2015 - 2016; director and management advisor focusing on operations, strategy and organisational development for industrial firms at Helbling Business Advisors, Zurich, 2008 - 2015.

Activities in management and supervisory bodies outside of the V-ZUG Group

None.

MAX HERGER (CH) BORN 1961

Industrial engineer, Swiss Technical Association, business administration, postgraduate degree in energy and building technology, polytechnic (HTL) degree in mechanical engineering.

Senior Vice President Operations and member of the Executive Committee of the V-ZUG Group, 2020 - August 2021.

Professional background and previous activities for the V-ZUG Group

CEO of V-ZUG Kühlttechnik AG, Arbon, 2013-2019; Head of Operations and member of the Executive Committee of V-ZUG AG, Zug, 2009-2013; Head of Production Planning at V-ZUG AG, Zug, 2002-2009; various management roles in production, service and support at Landis+Gyr, Zug, and Siemens Building Control, Zug, 1990-2001.

Activities in management and supervisory bodies outside of the V-ZUG Group

None.

5 Compensation, shareholdings and loans: compensation report

For details regarding compensation, please refer to the separate Compensation Report starting on page 59 of this Annual Report.

6 Shareholders' participation rights

6.1 Voting right restrictions and representation

All shareholders may exercise their rights at the General Meeting by attendance in person, by written proxy to another party who is also a shareholder, or through the independent representative.

The independent representative is obliged to exercise the voting rights transferred to them by shareholders in accordance with their instructions. In accordance with Article 14 of the Articles of Association, the Board of Directors ensures that shareholders have the opportunity to

- submit instructions to the independent representative on every motion relating to agenda items mentioned in the invitation to the meeting,
- submit general instructions to the independent representative on unannounced motions and new agenda items,
- grant proxies and issue instructions to the independent representative electronically.

The Board of Directors sets the rules for the procedures and deadlines for granting electronic proxies and issuing electronic instructions.

6.2 Statutory quorums

The General Meeting passes its resolutions and conducts its voting with an absolute majority of the voting shares represented, unless the law (in particular Article 704 of the Swiss Code of Obligations (CO) or Articles 18, 43 or 64 of the Swiss Mergers Act) or the Articles of Association (Article 15 of the Articles of Association) contain provisions to the contrary (Article 703 CO and Article 13 of the Articles of Association).

6.3 Convocation of the General Meeting

The Annual General Meeting takes place annually no later than six months after the end of the financial year (Article 10 of the Articles of Association). The meeting is convened by letter, e-mail, fax or using other electronic communication systems that permit evidence to be presented in text form no later than 20 days before the day of the meeting. The invitation is sent to all shareholders entered in the share register, and an announcement of the convocation is also published in the Swiss Official Gazette of Commerce (Article 11 of the Articles of Association).

Extraordinary general meetings are convened as often as required, in particular in those cases stipulated by law. The external auditors and the liquidators have a legal right to convene a meeting, as has the General Meeting by way of a resolution. The Board of Directors shall further convene an extraordinary general meeting if shareholders representing at least 10% of the share capital request the convocation of such a meeting in writing, stating the agenda items and the motions. The written request must be accompanied by a statement issued by a bank, confirming that the shares have been deposited until after the General Meeting (Article 10 of the Articles of Association).

6.4 Inclusion of an item in the agenda

In principle, the inclusion of an item in the agenda is determined by legal provisions. Shareholders individually or jointly representing shares with a nominal value of at least 10% of the share capital may request in writing, and upon specification of the motions, the inclusion of an item in the agenda no less than 50 days prior to the Annual General Meeting unless the company publishes a different deadline. The written request must be accompanied by a statement issued by a bank confirming that the shares have been deposited until after the General Meeting (Article 10 of the Articles of Association).

6.5 Entries in the share register

Only those shareholders who are listed in the share register as shareholders with the right to vote on a given cut-off date may participate in and exercise their right to vote at the General Meeting. The company's Articles of Association do not contain any rules regarding the cut-off date. This is determined by the Board of Directors and generally fixed for a date a few days prior to the General Meeting. The cut-off date is published along with the invitation to the General Meeting.

7 Changes of control and defence measures

7.1 Duty to make an offer

The duty to make a public takeover offer in accordance with Articles 135 and 163 FinMIA was waived in the Articles of Association (Article 4) in accordance with Article 125 para. 3 FinMIA prior to the company being listed on the stock exchange ("opting out").

7.2 Clauses on changes of control

In the event of a change of control, V-ZUG Holding AG is not obliged to make any additional payments for the benefit of members of the Board of Directors or the Executive Committee or any other executives.

8 Auditors

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

Auditors: Ernst & Young AG, Zug.

Duration of the mandate: since the 2019 financial year for V-ZUG Holding AG (previously since 2006 for Metall Zug AG).

Lead auditor: Christoph Michel.

Date on which the lead auditor took up office: 2020.

8.2 Auditing fees

In the Reporting Year, the independent auditors, Ernst & Young AG, charged V-ZUG Holding AG and the V-ZUG Group CHF 192 thousand (previous year CHF 199 thousand) for services in connection with the audit of the annual financial statements of V-ZUG Holding AG and its subsidiaries and of the consolidated financial statements of the V-ZUG Group.

8.3 Additional fees

In the Reporting Year, the independent auditors, Ernst & Young AG, charged V-ZUG Holding AG and the V-ZUG Group a total of CHF 3 thousand (previous year CHF 3 thousand) in additional fees for services in connection with auditing compliance with minimum wage requirements of the collective employment agreement for the mechanical and electrical engineering industries.

8.4 Information instruments pertaining to the external audit

The external auditors are elected by the General Meeting for a period of one financial year. The lead external auditor is replaced after no more than seven years. The Audit Committee is responsible for evaluating the external auditors. At least once a year, the members of the Audit Committee receive from the external auditors a summary of the audit results including any suggestions for improvements and other findings identified by the external auditors as part of their audit activities. External audit representatives are invited to all meetings of the Audit Committee. In the 2021 financial year, they took part in all the quarterly meetings. The Audit Committee assesses the performance of the external auditors on the basis of the documents, reports and presentations issued by the external auditors. In doing so, the Audit Committee evaluates the quality, relevance and contribution toward improving transparency on the basis of the statements and documentation made available by the external auditors. In addition, the committee seeks the opinion of the CFO. The fees charged by the external auditors are reviewed and compared with the auditing fees paid by other comparable Swiss industrial companies on a regular basis. Further information on the external auditors, in particular the auditing fees and the fees they have charged for additional services outside the agreed audit scope, can be found in sections 8.2 and 8.3 of this Corporate Governance Report. The Audit Committee takes care to ensure that the fees for services that fall outside the agreed audit scope do not exceed a reasonable amount, in order to safeguard the independence of the external auditors.

9 Information policy

V-ZUG Holding AG has a transparent information policy with regard to the general public and the financial markets. It communicates openly and regularly with its shareholders, the capital market and the general public. Contact persons include the Chairman of the Board of Directors, the CEO, the CFO and the Head of Investor Relations.

The Annual Report and the Half-Year Report are made available in full online. A media and analyst conference is held at least once a year.

Corresponding ad hoc notifications are issued on important events involving facts that may potentially impact the share price. These can be accessed at www.vzug.com/ch/en/investor-relations-news. The corporate calendar can be viewed at www.vzug.com/ch/en/corporate-calendar and general information on the V-ZUG Group can be found at www.vzug.com/ch/en.

At www.vzug.com/ch/en/investor-relations-news-service, interested persons can subscribe to a mailing list to receive ad hoc notifications and further company information. The contact details for queries regarding investor relations can be found at www.vzug.com/ch/en/media.

10 Quiet periods

In connection with the half-yearly financial reporting, general quiet periods apply at the V-ZUG Group from 1 December and from 1 June until the close of trading hours of the SIX Swiss Exchange, Zurich, on the date of publication of the Annual Report and Half-Year Report, respectively.

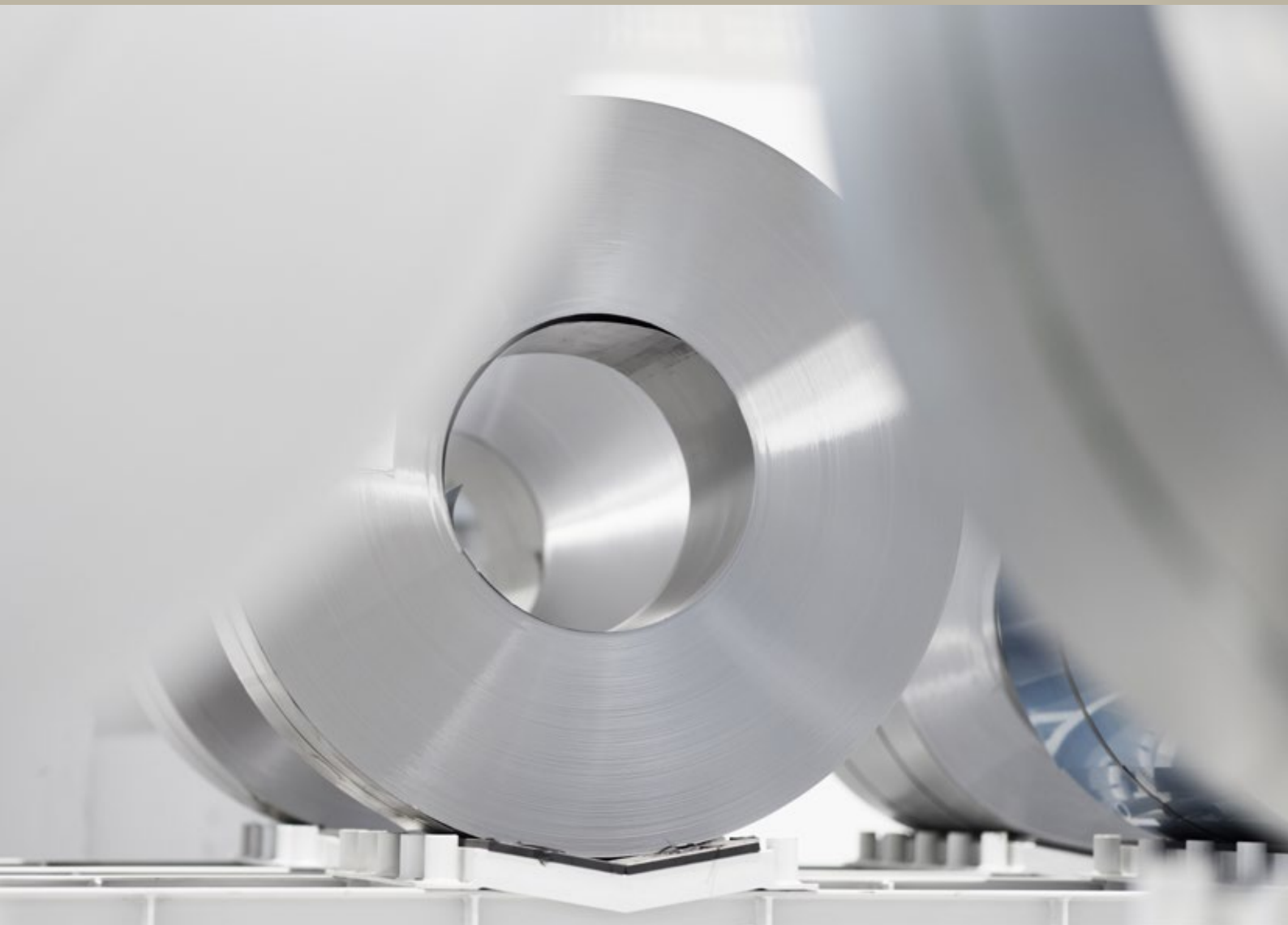
The quiet period covers the registered shares of V-ZUG Holding AG and equity securities, options, derivatives and other financial instruments concerning V-ZUG Holding AG.

The parties subject to a prohibition of trading during quiet period include the members of the Board of Directors and Executive Committee and other group-wide management positions with access to the current financial figures. In addition, the prohibition of trading also affects all people directly or indirectly involved in preparing the financial reporting and people who may otherwise potentially have access to the V-ZUG Group's current financial figures. Furthermore, the prohibition of trading also applies to V-ZUG Holding AG and all its group companies.

Exceptions to the rule on quiet periods are not provided for in principle and would have to be approved by the competent bodies on a case-by-case basis.

In addition to the general quiet periods, special quiet periods are defined, as needed, according to date, duration and parties covered, particularly in connection with circumstances potentially relevant to the share price.

Compensation Report



Compensation Report

The Compensation Report describes the principles and corporate governance aspects of compensation for the Board of Directors and Executive Committee of V-ZUG Holding AG in the 2021 financial year ("**Reporting Period**"). The report is compiled in accordance with the mandatory provisions of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares of 20 November 2013 (ERCO), taking account of the recommendations and principles of the "Swiss Code of Best Practice for Corporate Governance" published by *economiesuisse*, which is aimed at the individual responsibility of such companies.

Impact of the listing on 25 June 2020 on the disclosure of compensation

V-ZUG Holding AG was incorporated in November 2019 and was not listed on the stock exchange for the whole of the 2020 financial year. The listing of the V-ZUG Holding AG registered shares and therefore the company's obligations under the ERCO took place part way through the year on 25 June 2020 (the first day of trading) as part of the spin-off from the Metall Zug Group (see detailed information regarding the listing and spin-off in the information memorandum dated 17 June 2020 on the listing of V-ZUG Holding AG shares on SIX Swiss Exchange, which is available in German together with additional information at www.vzug.com/ch/en/spin-off-and-listing).

Against this background, with reference to comparisons against previous years, this Compensation Report only sets out the compensation covering the relevant period between the listing (from 25 June 2020 inclusive) and the end of the 2020 financial year (up to and including 31 December 2020) ("**Previous Year's Period**"). The following compensation from the Previous Year's Period therefore only represent around half of the compensation for a full financial year. This is to be taken into account when comparing with current compensation in the current Reporting Period (which covers a full financial year).

General remarks concerning the compensation system

Based on the Articles of Association of V-ZUG Holding AG ("**Articles of Association**"), members of the Board of Directors and the Executive Committee of V-ZUG Holding AG are entitled to compensation commensurate with their function and to customary social security benefits, as well as to reimbursement for expenses incurred in the interests of the company. Details are set out in the separate compensation regulations (Article 23 of the Articles of Association). The following remarks are based on the revised Compensation Regulations of V-ZUG Holding AG dated 2 December 2020 ("**Compensation Regulations**"); these are valid retrospectively from 1 June 2020 and are therefore applicable to both the Reporting Period and the Previous Year's Period). The revised Compensation Regulations fully replace the compensation regulations of V-ZUG Holding AG dated 14 May 2020, which originally became effective on 1 June 2020.

The V-ZUG Group's current compensation policy endeavours to create a suitable basis for remunerating and incentivising employees, management and supervisory bodies in line with the market and individual performance.

In accordance with Article 25 of the Articles of Association, pensions and other post-employment benefits are only paid to members of the Executive Committee and the Board of Directors by pension funds (including insurance companies, collective foundations and similar second-pillar institutions); the respective benefits and employer contributions are determined by the applicable regulations.

Board of Directors compensation system

Members of the Board of Directors receive fixed compensation for their work as well as a lump-sum reimbursement of expenses. Members of the Board of Directors who serve as Chairman of the Board of Directors or chair of a committee or who perform special tasks (e.g. activities on the Board of Directors of subsidiaries, chairing advisory boards, etc.) receive an additional fee for such additional roles and special tasks. If a member of the Board of Directors holds office as his or her main occupation and is not otherwise subject to occupational pensions (BVG) obligations, this member is entitled to be included in the V-ZUG Group's occupational pension scheme within the framework of the legal and social security provisions. The fee scale is structured in accordance with the Compensation Regulations (including lump-sum expenses):

Role	Fixed (gross), in CHF	Lump-sum expenses, in CHF	Total, in CHF
Basic amount (member BoD)	63 000	12 000	75 000
Additional amount Chairman BoD	72 000	3 000	75 000
Additional amount chair BoD committee/ chair advisory board	20 000	-	20 000
Additional amount BoD committee	10 000	-	10 000

The Corporate Governance Report on pages 43 et seq. of this Annual Report lists the additional tasks performed by members of the Board of Directors of V-ZUG Holding AG on committees, their directorships and further functions at Group companies in the reporting year.

The compensation of the Board of Directors is determined at the request of the Human Resources & Compensation Committee by the entire Board of Directors on an annual basis, usually in the first quarter of the year, for the period from the Annual General Meeting of the current calendar year to the Annual General Meeting of the following year and is presented to the General Meeting for approval in accordance with Article 24 of the Articles of Association.

Executive Committee compensation system

The compensation for members of the Executive Committee consists of a fixed basic salary and performance-related short-term variable compensation. Members of the Executive Committee also receive a lump-sum expenses allowance (hospitality expenses plus vehicle and mileage remuneration).

Article 23 of the Articles of Association also provides for the possibility of long-term variable compensation elements for the compensation of the Executive Committee. Such long-term variable compensation elements would essentially focus on the same targets as the short-term variable compensation elements, but would also be designed to take account of employee retention and would therefore take the form of restricted shares. The necessary shares would be purchased on the market through V-ZUG Holding AG. The Board of Directors has not currently made any decision regarding such long-term variable compensation elements, but does not rule out the possibility that it may be included in the compensation system for the Executive Committee in the future.

Fixed compensation

The amount of the fixed compensation is determined at the request of the Human Resources & Compensation Committee by the entire Board of Directors, taking into account the fixed component agreed with the members of the Executive Committee in their employment contracts, usually in the fourth quarter for the following financial year, and within the total amount approved by the General Meeting. Approval of the total amount available for the fixed compensation of the members of the Executive Committee is granted by the General Meeting in accordance with Article 24 of the Articles of Association for the following calendar year (prospective model).

If the total amount approved for the compensation of the Executive Committee is not sufficient to compensate members newly appointed after approval by the General Meeting until the beginning of the next approval period, in accordance with Article 24 of the Articles of Association, an additional amount of 25 % of the previously approved total amount for the Executive Committee is available per newly appointed member of the Executive Committee for the approval period in question, and in case of several newly appointed members of the Executive Committee up to a total additional amount of 50 % of the previously approved total amount for the Executive Committee for the relevant approval period.

Variable compensation

The variable compensation must not exceed 100 % of the fixed compensation for each member of the Executive Committee. In accordance with Article 23 of the Articles of Association, the variable compensation is linked to qualitative and quantitative objectives, the components and structure of which may be determined by the entire Board of Directors with full discretion at the request of the Human Resources & Compensation Committee, taking into consideration the role of the Executive Committee member in question.

The quantitative objectives are connected to key performance indicators at Group, division and/or project level depending on the role of the Executive Committee member. When defining the relevant level for key performance indicators, the Human Resources & Compensation Committee uses the budgeted figures as a starting point and factors in the current environment, the previous year's provisional figures and the "tension" (attainability) in the budget, amongst other things. Achieving the budgeted figures does not mean that members of the Executive Committee are entitled to 100 % of their target bonus.

The qualitative targets are based on the nature of the work done and how it is performed, the commitment shown and the pursuit of the company's long-term, sustainable development; however, an integrated appraisal that looks beyond quantitative measurement systems is also used.

The Human Resources & Compensation Committee is generally responsible for setting measurable targets for all members of the Executive Committee. Financial targets are based on growth, profitability and efficiency and their traditional key performance indicators (e.g. absolute EBIT, EBITDA margin) and the division- or project-specific targets focus on the company's strategic growth (e.g. digitalisation, product portfolio).

The individual employment contracts of members of the Executive Committee provide for a target bonus amounting to 80% of the fixed compensation for the CEO and 50% for the other Executive Committee members. These regulations are initially applicable for the variable compensation of the Executive Committee for the 2021 financial year, which will be paid out in the 2022 financial year. In the event of excellent performance, the target bonus may be exceeded by no more than a quarter; in other words, in the maximum case for the CEO, the bonus may be 100% of the fixed compensation and in the maximum case for the other members of the Executive Committee, the bonus may be 62.5% of the fixed compensation.

The Human Resources & Compensation Committee has considerable discretion when assessing target attainment. In individual cases, it may state in advance that no bonus will be paid out at all if certain minimum targets are not met, even if a bonus could be paid based on the achievement of other targets. As a general rule, the payment of any variable compensation is conditional upon exemplary performance as well as a positive net result in the profit and loss account (after the bonus payment has been included) at Group level. In addition, the actual bonus may not exceed the target bonus per person unless at least 90% of the budgeted EBIT is achieved at Group level.

With the respective approval of the Human Resources & Compensation Committee and the Board of Directors, part or all of the bonus may be included in the occupational pension.

The quantitative and qualitative targets and their percentages and the weighting for the variable compensation for individual members of the Executive Committee in the current financial year are determined at the request of the Human Resources & Compensation Committee by the entire Board of Directors in the first quarter of the current financial year, taking into consideration the target bonus agreed in their respective employment contracts. The variable compensation for the Executive Committee for the financial year just ended is also determined at the request of the Human Resources & Compensation Committee by the entire Board of Directors following the presentation of the annual financial statements in the first quarter of the following year on the basis of the achievement of the quantitative and qualitative targets agreed. It is paid out following approval by the General Meeting (retrospective model - one of the variants provided for in Article 24 of the Articles of Association).

The Compensation Regulations allow V-ZUG Holding AG to request repayment of some or all of the variable compensation paid to a member of the Executive Committee for a bonus period within 30 months of its payment date, or to deduct an appropriate amount from a variable compensation for a subsequent bonus period. This may occur if it turns out after paying the variable compensation that this member of the Executive Committee was in serious breach of applicable legal requirements, contractual provisions or internal regulations (particularly the Code of Conduct or other ethical principles of the V-ZUG Group) within the bonus period in question or that the member influenced the achievement of the targets in the bonus period in question through actions that run counter to the sustainable business development of the V-ZUG Group. Serious and repeated breaches will generally result in the member losing all of his or her variable compensation for the current financial year. In all cases, the entire Board of Directors will, at the request of the Human Resources & Compensation Committee, make a decision at its own discretion.

Capital participation programmes

V-ZUG Holding AG does not have any participation or option programmes and no shares have been assigned to members of the Board of Directors, of the Executive Committee or related parties.

Article 23 of the Articles of Association permits compensation to be paid out in the form of money or shares. The Board of Directors has not yet availed itself of the opportunity to allocate shares as part of compensating members of the Board of Directors or the Executive Committee (see the preceding section on the compensation system for the Executive Committee on p. 60).

Disclosure of compensation

Details of compensation for the Board of Directors and the Executive Committee are set out on the following pages. Details of share ownership by members of the Board of Directors and the Executive Committee are set out in the notes to the annual financial statements of V-ZUG Holding AG on page 105 of this Annual Report.

Compensation for the Board of Directors

The composition of the Board of Directors of V-ZUG Holding AG did not change in the Reporting Period and compensation was essentially similar to that of the previous year, taking into account the shorter Previous Year's Period as disclosed in the comparison with the previous year. Small variations are due to additional functions carried out by individual members of the Board of Directors in the V-ZUG Group. The compensation of the Board of Directors is set at the Annual General Meeting for the period of the term in office of the Board of Directors until the next Annual General Meeting the following year. As the term in office of the Board of Directors is not the same as the financial year, the fees detailed below may differ from the fees approved at the Annual General Meeting.

Fixed compensation

Fixed compensation of the Board of Directors in the Reporting Period totalled CHF 648,002. The Board of Directors pursues a policy of consistent compensation, and is requesting the coming Annual General Meeting on 28 April 2022 to approve a total amount of CHF 750,000 for its fixed compensation and lump-sum reimbursement of expenses for the period of office up to the next Annual General Meeting in 2023. This figure includes a certain reserve, and is the same as the total amount approved by the Annual General Meeting of V-ZUG Holding AG on 29 April 2021 for the current period of office.

On 19 May 2020 (before the stock market listing), the Annual General Meeting of V-ZUG Holding AG approved the sum of CHF 750,000 for the fixed compensation of the Board of Directors for the period of office until the next Annual General Meeting on 29 April 2021. Of this amount, a pro-rated amount of around CHF 635,417 was available for the disclosed part of the period of office (25 June 2020 - 29 April 2021). During this period (25 June 2020 - 29 April 2021), CHF 540,571 of this sum was used for the compensation of members of the Board of Directors.

Additional compensation

No loans or credit facilities were granted to members of the Board of Directors or related parties, and the Articles of Association do not contain any provisions that would permit the granting of loans or credit facilities. The lump-sum expense allowances, which are based on expense regulations approved by the tax authorities, are shown as fixed compensation in the interests of full and complete transparency although, as genuine lump-sum expenses, they would not have to be disclosed since they do not constitute compensation. None of the members of the Board of Directors acts in an executive capacity within the V-ZUG Group. With the exception of Jürg Werner with regard to his temporary consultancy role for V-ZUG Kühltechnik AG, the members of the Board of Directors did not receive any additional compensation from other companies within the V-ZUG Group.

Compensation for financial year, in CHF	Compensation/ fixed fee (gross) ¹⁾		Social contributions ²⁾		Total	
	2021	2020 ³⁾	2021	2020 ³⁾	2021	2020 ³⁾
Oliver Riemenschneider, Chairman Board of Directors	150 000	77 500	8 640	4 447	158 640	81 947
Annelies Häcki Buhofer, Member Audit Committee	85 000	43 917	2 979	2 404	87 979	46 321
Prisca Hafner, Chair Human Resources & Compensation Committee	95 000	49 083	5 312	2 734	100 312	51 817
Tobias Knechtle ⁴⁾ , Chair Audit Committee	100 652	52 004	0	0	100 652	52 004
Petra Rumpf ⁵⁾ , Chair advisory board	95 000	38 750	5 312	2 075	100 312	40 825
Dr. Jürg Werner ⁶⁾ , Member Human Resources & Compensation Committee	94 877	44 614	5 229	6 701	100 107	51 316
Total Board of Directors	620 530	305 868	27 472	18 361	648 002	324 229

¹⁾ The compensation shown includes lump-sum expenses and other payments (such as memberships etc.) and any additional fee for activities on the Board of Directors of subsidiaries and further special tasks.

²⁾ Employer contributions for AHV (old-age and survivors' insurance), IV (disability insurance), EO (loss of earnings compensation) and ALV (unemployment insurance) as well as any contributions to occupational accident insurance and occupational pension schemes.

³⁾ Relates to the shorter Previous Year's Period (25/06/2020 to 31/12/2020).

⁴⁾ Payment to Tobias Knechtle is made via a legal entity. In accordance with the Compensation Regulations, the fixed fee (but not the lump-sum expenses) is increased (currently by 6.81%) to offset the employer contributions to be made by the legal entity.

⁵⁾ Chair advisory board since 01/01/2021.

⁶⁾ Including compensation for consultancy role at V-ZUG Kühltechnik AG.

Compensation for the Executive Committee

The following changes took place in the V-ZUG Group's Executive Committee during the 2021 financial year: Max Herger, Senior Vice President Production, left the V-ZUG Group on 31 August 2021 to take early retirement. Adrian Theiler was employed as his successor as Chief Operations Officer and as a new member of the Executive Committee as of 28 June 2021. Manuel Faeh, Senior Vice President Business Development, left the V-ZUG Group as of 31 July 2021. The role of Senior Vice President Business Development has not been filled. Instead, Nathalie Noël joined the Executive Committee as of 1 August 2021 in the newly created role of Chief Marketing Officer. The fixed and variable compensation of the CEO and the Chief Human Resources Officer was slightly increased in accordance with their contractual agreement after a successful familiarisation period.

These two factors and particularly the fact that the compensation for the whole Reporting Period for the Executive Committee position of Chief Human Resources Officer created in November 2020 is included in full, resulted in the total compensation for the Executive Committee compared to the previous year - taking into account the disclosed shorter Previous Year's Period (25 June 2020 - 31 December 2020) - being slightly higher. With the exception of these adjustments, compensation remained at a comparable level to the previous year.

Fixed compensation

For the 2021 financial year, the Annual General Meeting on 19 May 2020 (before the stock market listing) approved a total amount of CHF 3,750,000 for the fixed compensation of members of the Executive Committee. CHF 3,599,900 of this amount was used for the fixed compensation of the Executive Committee in the Reporting Period. This takes into account the compensation of the departing Executive Committee members up to the point that they left and the compensation paid to the new Executive Committee members from the point that they started. There was no need to make use of any additional amount.

For the 2022 financial year, the Annual General Meeting of V-ZUG Holding AG on 29 April 2021 approved a total of CHF 3,950,000 for the fixed compensation of the Executive Committee in accordance with the Articles of Association (Article 24 para 1, second bullet point of the Articles of Association).

For the 2023 financial year, the upcoming Annual General Meeting on 28 April 2022 will be requested to approve a total amount (identical to the previous year) of CHF 3,950,000 for the fixed compensation of the Executive Committee on the assumption that circumstances will not materially change.

Variable compensation

Out of the total amount of CHF 700,000 approved by the Annual General Meeting on 29 April 2021 for the variable compensation of members of the Executive Committee for the relevant Previous Year's Period (25 June 2020 - 31 December 2020), CHF 636,059 was paid out.

Since the retrospective model is used for the approval of variable compensation of the Executive Committee by the General Meeting (see the previous section on the compensation system for the Executive Committee on p. 60), the variable compensation for the Executive Committee for the 2021 financial year will not be approved until the forthcoming Annual General Meeting. The Board of Directors recommends to the Annual General Meeting of V-ZUG Holding AG on 28 April 2022 the total amount of CHF 1,837,000 for the variable compensation of the Executive Committee members for the 2021 financial year, factoring in the variable compensation of departing Executive Committee members up to the point that they left and the compensation for new Executive Committee members from the point that they joined. The variable compensation reflects the positive business results of the V-ZUG Group and the achievement of objectives by members of the Executive Committee.

Additional compensation

The employment contracts of Executive Committee members do not provide for any severance payments. The notice period is generally six months. No loans or credit facilities were granted to members of the Executive Committee or related parties, and the Articles of Association do not contain any provisions that would permit the granting of loans or credit facilities.

Compensation for the financial year, in CHF	CEO ¹⁾		Executive Committee (total) ²⁾	
	2021	2020 ³⁾	2021	2020 ³⁾
Fixed basic salary (gross)	465 000	1 50 000	2 470 863	1 163 589
Other payments / benefits ⁴⁾	46 088	14 240	423 793	182 360
Social contribution ⁵⁾	128 422	42 265	705 244	332 328
Total fixed compensation	639 510	206 505	3 599 900	1 678 277
Variable compensation (gross) ⁶⁾	451 050	120 000	1 597 010	601 332
Social contribution ⁵⁾	26 161	6 930	92 627	34 727
Total variable compensation⁷⁾	477 211	126 930	1 689 637	636 059
Total compensation	1 116 721	333 435	5 289 537	2 314 337

¹⁾ The highest amount for any member of the Executive Committee in the relevant Reporting Period and in the relevant Previous Year's Period (25/06/2020 to 31/12/2020) was paid to the current CEO, Peter Spirig (pro-rata 2020 due to joining per 01/09/2020).

²⁾ In the 2021 financial year the compensation for Manuel Faeh (until 31/07/2021) and Max Herger (until 31/08/2021) each until their departure from the Executive Committee, and the compensation for Adrian Theiler (from 28/06/2021) and Nathalie Noël (from 01/08/2021) is included from the time they joined the Executive Committee. In the relevant Previous Year's Period (25/06/2020 to 31/12/2020) the compensation for Heinz M. Buhofer is included until his departure from the Executive Committee on 30/09/2020, and the compensation for Peter Spirig (from 01/09/2020) and Sandra Forster-Bernacchia (from 23/11/2020) is included from the time they joined the Executive Committee.

³⁾ Relates to the shorter Previous Year's Period (25/06/2020 to 31/12/2020).

⁴⁾ Includes lump-sum expenses and other payments, benefits and remuneration (such as supplementary insurance, travel remuneration and mobility contribution). Child and family allowances are not disclosed.

⁵⁾ Employer contributions to pension schemes, AHV (old-age and survivors' insurance), IV (disability insurance), EO (loss of earnings compensation), ALV (unemployment insurance), daily sickness benefits insurance and accident insurance. The amounts in the table are disclosed on an accrual basis.

⁶⁾ For the 2021 financial year the variable compensation for Adrian Theiler (from 28/06/2021) and Nathalie Noël (from 01/08/2021) each for the period from their joining date up to 31/12/2021 was initially fixed, and is therefore not based on the attainment of agreed quantitative or qualitative objectives. From the 2022 financial year onwards, Adrian Theiler's and Nathalie Noël's variable compensation will be subject to the same criteria as those described in the section on the compensation system for the Executive Committee. In the relevant Previous Year's Period the variable compensation for Peter Spirig for the period from his joining date of 01/09/2020 up to 31/12/2020 was initially fixed, and was therefore not based on the attainment of agreed quantitative or qualitative objectives. In the 2021 financial year Peter Spirig's variable compensation was subject to the same criteria as those described in the section on the compensation system for the Executive Committee.

⁷⁾ The variable compensation for the members of the Executive Committee is generally paid out in May of the following year subject to approval by the Annual General Meeting (on 28 April 2022 for the variable compensation for the 2021 financial year). The amounts in the table are disclosed on an accrual basis.

Report of the statutory auditor



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To the General Meeting of
V-ZUG Holding AG, Zug

Zug, 11 March 2022

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of V-ZUG Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 59 to 64 of the remuneration report.



Board of Directors' responsibility

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. 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 remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

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

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



Opinion

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

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Silvan Lattion
Licensed audit expert

Financial Report



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Consolidated income statement

in KCHF	Notes	2021	2020
Net sales	1.2	623,735	569,426
Changes in inventories		19,331	- 8,649
Other operating revenue	1.2	9,411	10,664
Operating revenue		652,477	571,441
Cost of materials	1.3	- 239,408	- 188,263
Personnel expenses	1.3	- 215,245	- 204,447
Depreciation on tangible assets	2.2	- 24,685	- 23,531
Amortisation on intangible assets	2.3	- 6,429	- 6,457
Impairments on tangible assets	2.2	- 860	- 485
Other operating expenses	1.3	- 103,170	- 99,092
Operating expenses		- 589,797	- 522,275
Operating result (EBIT)		62,680	49,166
Financial income	3.3	165	341
Financial expenses	3.3	- 796	- 769
Financial result		- 631	- 428
Net result before taxes		62,049	48,738
Taxes	1.4	- 6,621	- 5,531
Group net result		55,428	43,207
Earnings per share (in CHF)	1.5	8.62	7.45

Consolidated balance sheet

in KCHF	Notes	2021	2020
Cash and cash equivalents	3.1	117,179	107,690
Securities	3.1	102	106
Trade receivables	2.1	60,397	55,877
Other receivables	2.1	11,747	15,035
Inventories	2.1	92,044	64,058
Prepaid expenses and accrued income		2,639	2,692
Current assets		284,108	245,458
Tangible assets	2.2	295,398	270,108
Intangible assets	2.3	8,954	13,149
Financial assets	2.4	27,648	25,978
Fixed assets		332,000	309,235
Assets		616,108	554,693
Short-term financial liabilities		-	-
Trade payables		27,699	22,140
Other current liabilities	2.1	50,645	55,973
Accrued expenses and deferred income	2.1	41,507	36,328
Current provisions	2.5	19,455	19,059
Current liabilities		139,306	133,500
Other long-term liabilities	2.6	2,237	3,438
Long-term provisions	2.5	11,261	10,756
Deferred tax liabilities	1.4	14,451	13,817
Non-current liabilities		27,949	28,011
Total liabilities		167,255	161,511
Share capital	3.2	1,736	1,736
Capital reserves		132,792	132,792
Retained earnings		314,325	258,654
Shareholders' equity		448,853	393,182
Liabilities and shareholders' equity		616,108	554,693

Consolidated statement of changes in shareholders' equity

in KCHF	Share capital	Capital reserves	Retained earnings	Accumulated currency translation differences	Total retained earnings	Total
Shareholders' equity 31.12.2021	1,736	132,792	311,049	3,276	314,325	448,853
Group net result 2021			55,428		55,428	55,428
Currency translation effects				243	243	243
Shareholders' equity 31.12.2020	1,736	132,792	255,621	3,033	258,654	393,182
Group net result 2020			43,207		43,207	43,207
Inflows from capital increase	521	109,479			-	110,000
Issue tax on capital increase		- 1,095			-	- 1,095
Currency translation effects				- 553	- 553	- 553
Shareholders' equity 31.12.2019¹⁾	1,215	24,408	212,414	3,586	216,000	241,623

¹⁾ Combined historical financial statements.

Consolidated statement of cash flows

in KCHF	Notes	2021	2020
Group net result		55,428	43,207
Financial result (net)		631	428
Depreciation and amortisation		31,114	29,988
Impairment		860	485
Earnings from the sale of tangible assets		- 285	- 200
Net changes in provisions		895	194
Income tax		6,621	5,531
Other non-cash items ¹⁾		- 7,473	- 1,324
Change in trade receivables		- 3,800	- 1,194
Change in other receivables and prepaid expenses and accrued income		4,699	4,280
Change in inventories		- 27,102	9,453
Change in trade payables		5,413	4,648
Change in other current liabilities and accrued expenses and deferred income		2,992	4,906
Interest paid		- 191	- 324
Taxes paid		- 6,352	- 682
Cash flow from operating activities		63,450	99,396
Investments in tangible assets	2.2	- 52,282	- 53,566
Investments in intangible assets	2.3	- 2,229	- 4,408
Investments in financial assets and securities		- 298	- 16
Disposals of tangible assets	2.2	312	300
Disposals of financial assets and securities		13	216
Interest received		76	49
Cash flow from investing activities		- 54,408	- 57,425
Cash flow from operating and investing activities (free cash flow)		9,042	41,971
Decrease in long-term financial liabilities		-	- 79,000
Inflows from capital increase		-	110,000
Issue tax on capital increase		-	- 1,095
Cash flow from financing activities		-	29,905
Currency translation effects		447	- 360
Change in "Net cash and cash equivalents"²⁾		9,489	71,516
Net cash and cash equivalents beginning of year		107,690	36,174
Net cash and cash equivalents end of year		117,179	107,690

¹⁾ Other non-cash items essentially comprise changes in value adjustments on inventories and trade receivables of CHF -0.5 million (previous year: CHF 2.6 million), non-cash allocations from V-ZUG AG's pension fund and V-ZUG AG's welfare fund to the employers' contribution reserves incl. interest of CHF -2.5 million (previous year: CHF -2.3 million), release of goodwill of CHF -3.0 million (previous year: CHF -0.2 million) and the release of deferred compensation for additional expenses caused by the site transformation in Zug in the amount of CHF -1.2 million (previous year: CHF -1.2 million).

²⁾ The "Net cash and cash equivalents" fund comprises the balance sheet item cash and cash equivalents less current financial liabilities.

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Information on the Report

General information

The V-ZUG Group's consolidated financial statements are prepared in accordance with the entire existing body of Accounting and Reporting Recommendations (Swiss GAAP FER) on the basis of historical cost or current values. The financial year of the consolidated financial statements corresponds to the calendar year.

The Financial Report is published in German and English. In the event of discrepancies between the two versions, the German version shall prevail.

Consolidation principles

The Group holds more than 50% of the votes and the capital of all Group companies. The full consolidation method is applied, i.e. assets, liabilities, income and expenses are recognised in full. Participating interests of below 20% are not consolidated. On the date of the initial consolidation, the assets and liabilities of acquired companies or business parts are recognised at fair value in accordance with uniform Group policies. The difference between the acquisition price and the revalued net assets of the acquired companies or business parts is recognised as goodwill. This goodwill is offset against retained earnings with no effect on the income statement. Where applicable, the impact of a theoretical capitalisation is presented in the notes to the consolidated financial statements. The useful life of the goodwill is determined at the time of acquisition. It generally ranges from three to five years, and up to a maximum of 20 years in exceptional cases.

The aim of the capital consolidation is to show the equity of the entire Group. The capital consolidation is carried out using the purchase method.

Intergroup transactions

Intergroup receivables, payables and transactions are eliminated for fully consolidated companies. Allowances and value adjustments for intergroup receivables and investments are reversed. The individual Group companies' intergroup profits on inventories and tangible assets are also eliminated.

Currency translation

With regard to currency translation for consolidation purposes, the annual financial statements of the foreign Group companies are translated into Swiss francs according to the current rate method. The exchange rate at the end of the year is applied to assets and liabilities, while the average exchange rate during the period under review is used for income statements and statements of cash flows. Shareholders' equity is converted at historical exchange rates. The currency effects resulting from the conversion are offset against retained earnings with no effect on the income statement. Foreign currency gains and losses on long-term, equity-like loans to Group companies are also recognised in equity with no effect on the income statement.

Significant estimates

In preparing the consolidated financial statements, certain assumptions must be made that affect the accounting principles to be used and the amounts reported as assets, liabilities, income and expenses and the presentation of these amounts. The assumptions are explained in the following items:

- Income taxes
- Inventories
- Provisions

Key indicators not defined by Swiss GAAP FER

V-ZUG uses certain key performance indicators that are not defined according to Swiss GAAP FER (alternative performance measures [APMs]). Where relevant for the reader, specific subtotals, which can be elicited directly from the relevant tables, are included.

Additional key figures, not directly disclosed and reconciled in the consolidated main tables, include the following:

- "EBITDA" is the operating result (EBIT) before depreciation, amortisation and impairment. The derivation per segment can be found in note 1.1 Segment information.
- "Capex" refers to additions to tangible and intangible assets.
- The "equity ratio" shows what proportion of a company's assets is financed with equity. It is defined as equity expressed as a percentage of total equity and liabilities.
- "ROCE" is a measure of how efficiently and profitably a company employs its capital. The calculation method can be found in note 2 Invested capital.

Events after the balance sheet date

There were no events between 31 December 2021 and 11 March 2022 that would require an adjustment to the carrying amounts of assets or liabilities in the consolidated financial statements of V-ZUG Group or would need to be disclosed under this heading.

On 11 March 2022, the consolidated financial statements were approved for publication by the Board of Directors. They are also subject to approval by the Annual General Meeting.

1. Performance

1.1 Segment information

The business activities of the V-ZUG Group comprise the following segments:

Household Appliances:	Household kitchen and laundry appliances plus services
Real Estate:	Management and development of real estate
Corporate:	V-ZUG Holding AG

in KCHF	2021	2020
Household Appliances		
Net sales	623,742	569,426
Operating revenue	651,634	570,444
Operating expenses (without depreciation)	- 565,810	- 497,886
EBITDA	85,824	72,558
EBITDA in % of net sales	13.8	12.7
Depreciation, amortisation and impairment	- 27,724	- 26,408
Operating result (EBIT)	58,100	46,150
EBIT in % of net sales	9.3	8.1
Real Estate		
Net sales	-	-
Operating revenue	10,475	9,502
Operating expenses (without depreciation)	- 793	- 1,746
EBITDA	9,682	7,756
Depreciation, amortisation and impairment	- 4,250	- 4,065
Operating result (EBIT)	5,432	3,691
Corporate and elimination		
Net sales	- 7	-
Operating revenue	- 9,632	- 8,505
Operating expenses (without depreciation)	8,780	7,830
EBITDA/Operating result (EBIT)	- 852	- 675
Total		
Net sales	623,735	569,426
Operating revenue	652,477	571,441
Operating expenses (without depreciation)	- 557,823	- 491,802
EBITDA	94,654	79,639
EBITDA in % of net sales	15.2	14.0
Depreciation, amortisation and impairment	- 31,974	- 30,473
Operating result (EBIT)	62,680	49,166
EBIT in % of net sales	10.0	8.6

ACCOUNTING PRINCIPLES

The segment accounts used at top management level to steer the business are disclosed for the segment reporting. Segment revenue is deemed to be net sales, and segment result is deemed to be EBIT.

The main sources of revenue in the Household Appliances segment are the sale of appliances and spare parts and the provision of services. Sales take place through specialist dealers, distributors, digital channels and, occasionally, directly to end customers.

1.2 Net sales and other operating revenue**Net sales by geographic market**

in KCHF	2021	2020
Switzerland	529,098	502,054
Europe (excluding Switzerland)	26,088	19,283
Americas	28,198	14,866
Asia/Pacific/Others	40,351	33,223
Total	623,735	569,426

Other operating revenue

Other operating revenue includes proceeds from invoicing an OEM customer for product development services, the sale of tangible assets, compensation for additional expenses caused by the site transformation in Zug, the staff restaurant and rents. In addition, own work capitalised in connection with the manufacturing of special tools is recognised in this item.

ACCOUNTING PRINCIPLES

Net sales include the inflow of economic benefits from sales of goods and services within the scope of ordinary business during the period under review. Sales reductions such as discounts, rebates and other concessions as well as payments to third parties such as commissions and any value added tax have been deducted from net sales reported.

Revenues are reported when the significant risks and rewards related to the ownership of products sold are transferred to the customer in accordance with the contractual agreement. Revenue from services is recognised in the accounting period in which the service was provided.

1.3 Operating expenses

Cost of materials

The Cost of materials item comprises all expenses for raw materials, supplies and merchandise and expenses for the external manufacture, preparation and processing of the Group's own products (external services). Cash discounts on goods purchased are recorded as purchase price reductions.

Compared to the 9.5% increase in net sales, the cost of materials rose disproportionately by 27.2%. The ratio of the cost of materials to net sales (materials ratio) was 38.4% (previous year: 33.1%). The materials ratio is influenced to a large degree by changes in inventories of semi-finished and finished products. It is 36.7% when adjusted for this effect, higher than the previous year's level of 33.9%. The increase is partly due to the increase in material prices and transport costs.

Personnel expenses

in KCHF	2021	2020
Wages and salaries	- 177,472	- 169,896
Pension expenses	- 13,107	- 12,738
Other social and personnel expenses	- 24,666	- 21,813
Total	- 215,245	- 204,447

Personnel expenses increased by 5.3% year on year. The average number of full-time equivalents rose by 4.3% from 1,972 in the previous year to 2,057. Personnel expenses contain an allocation from V-ZUG AG's pension fund and V-ZUG AG's welfare fund to the employers' contribution reserves, including interest, of CHF 2.5 million (previous year: CHF 2.3 million). This allocation reduced the Group's pension benefit expense by the corresponding amount. Average personnel expenses per employee increased from CHF 103.7 thousand to CHF 104.6 thousand, while net sales per employee increased from CHF 288.8 thousand to CHF 303.2 thousand.

At the balance sheet date, the number of full-time equivalents was 2,080 (previous year: 1,999). The increase in full-time equivalents is attributable mainly to the two production sites in Switzerland and to the foreign distribution companies in Europe and China.

Other operating expenses

in KCHF	2021	2020
Marketing/sales promotion	- 22,345	- 20,949
Maintenance and repair	- 12,670	- 12,177
Administrative expenses	- 31,816	- 27,648
Other costs	- 36,339	- 38,318
Total	- 103,170	- 99,092

Other operating expenses amounted to 16.5% of net sales (previous year: 17.4%). Actual expenses increased by 4.1%. The increase is due on the one hand to intensified marketing activities and support for digitalisation and on the other to higher IT expenses. Other costs contain rental costs, research and development costs, transport and energy costs, non-personnel costs for production, sales and administration, and the change in guarantee provisions.

Research and development

Expenses for research and development, which are included in Operating expenses, relate to personnel costs, costs of materials, overhead costs and external services. At CHF 61.3 million, R&D expenses in 2021 were up CHF 1.9 million year on year and correspond to 9.8% of net sales (previous year: 10.4%). Research and development expenses are charged in full to the income statement.

1.4 Income taxes

in KCHF	2021	2020
Current income taxes	- 5,988	- 6,138
Deferred income taxes	- 633	607
Total	- 6,621	- 5,531

Current income taxes include paid and due taxes on the taxable profits of the individual companies.

in KCHF	2021	2020
Liabilities from current income taxes	5,477	5,664
Deferred tax liabilities	14,451	13,817
Total	19,928	19,481

in KCHF	2021	2020
Ordinary group net result before taxes	62,049	48,738
Weighted average applicable income tax rate in %	12.9	13.4
Weighted average calculated income taxes	8,021	6,539
Utilisation of previously unrecognised tax loss carryforwards	- 866	- 548
Additional unrecognised tax loss carryforwards	-	75
Change of unrecognised temporary differences	94	- 2
Tax effects on investments	125	375
Effect of Swiss corporate tax reform (TRAF)	- 925	- 987
Other effects	172	79
Effective income taxes	6,621	5,531
Effective income tax rate in %	10.7	11.3

The expected income tax rate on the ordinary group net result came to 12.9% (previous year: 13.4%) and corresponds to the weighted average tax rate based on the profit/loss before taxes and the tax rate for each individual Group company. V-ZUG operates worldwide and is liable to income tax in various countries. The weighted average income tax rate applicable may vary from year to year due to the individual companies' varying results or changes in local tax rates.

The Group's effective income tax rate was 10.7% (previous year: 11.3%). In addition to the utilisation of previously unrecognised tax loss carryforwards, the additional deduction for research and development expenses as a result of the Swiss corporate tax reform is the main reason for the deviation from the expected income tax rate.

Non-capitalised loss carryforwards in 2021 amounted to CHF 14.3 million (previous year: CHF 20.1 million) with a potential tax effect of CHF 3.2 million (previous year: CHF 4.0 million), of which CHF 11.1 million (previous year: CHF 12.2 million) may be used for an indefinite period and CHF 0.9 million (previous year: CHF 5.3 million) will expire within the next two years. There are also non-capitalised deferred taxes on valuation differences in the amount of CHF 1.6 million (previous year: CHF 1.5 million). Owing to uncertainties with regard to the future possibility of utilising these, these tax effects were not capitalised.

SIGNIFICANT ESTIMATES

Current tax liabilities are measured based on an interpretation of the tax legislation in place in the relevant countries. The adequacy of such an interpretation is assessed by the tax authorities in the course of the final assessment or of tax audits. This can result in changes to tax expense. Furthermore, the assessment of the ability to capitalise tax loss carryforwards requires a critical estimation of the probability of their being able to be set off against future profits, which are dependent on many different influences and developments.

ACCOUNTING PRINCIPLES

In accordance with the respective tax assessment rules, current income taxes are calculated at the prevailing tax rates based on the taxable annual results pursuant to commercial law or the taxable annual results that are expected. They are disclosed under Other current liabilities.

Deferred taxes are calculated on the basis of the deviations affecting income tax between the tax balance sheet and the balance sheet prepared for consolidation purposes of the Group companies. The individual Group companies' current or – if applicable – expected tax rates are applied to calculate deferred taxes.

The deferred tax assets from offsettable loss carryforwards and from temporary valuation differences are only capitalised when there is a high probability that future taxes on profits can be offset.

1.5 Earnings per share

in CHF	2021	2020
Group net result	55,428,000	43,207,000
Average number of shares	6,428,571	5,796,253
Earnings per share	8.62	7.45

There was no dilution of earnings per share.

For the purpose of calculating earnings per share for the previous year, the number of shares of V-ZUG Holding AG outstanding as at 31 December 2019 was used until the listing on 25 June 2020, namely 4,500,000. From the date of listing, the number of shares outstanding was 6,428,571.

ACCOUNTING PRINCIPLES

The Group net result per share is calculated by dividing the Group net result by the weighted average of outstanding shares less the weighted average of treasury shares.

2. Invested capital

V-ZUG uses the indicator defined below (among others) to manage operating performance. Since the calculation of capital employed is based on average balance sheet values, the values as of the balance sheet date for the three relevant reporting years are shown below to illustrate the general development of the items.

Return on capital employed (ROCE)

in KCHF	2021	2020	2019 ¹⁾
Trade receivables	60,397	55,877	54,686
Inventories	92,044	64,058	76,827
Trade payables	- 27,699	- 22,140	- 20,744
Prepayments from customers	- 8,739	- 5,620	- 3,767
Net current assets as at 31.12.	116,003	92,175	107,002
Other current assets	14,488	17,833	21,011
Other current liabilities (excl. provisions)	- 83,413	- 86,681	- 74,131
Extended net current assets as at 31.12.	47,078	23,327	53,882
Tangible assets	295,398	270,108	240,191
Intangible assets	8,954	13,149	17,898
Financial assets	27,648	25,978	24,880
Operating cash and cash equivalents ²⁾	30,000	30,000	30,000
Provisions	- 30,716	- 29,815	- 29,645
Total net capital employed as at balance sheet date 31.12.	378,362	332,747	337,206
Monthly average³⁾	368,565	345,623	304,827
Operating result (EBIT)	62,680	49,166	29,579
ROCE in %	17.0	14.2	9.7

¹⁾ Combined historical financial statements.

²⁾ Operating cash and cash equivalents contain a minimum amount to ensure operations.

³⁾ Total net capital is determined based on the average of the preceding 13 month-end figures.

The return on capital employed is calculated on the basis of the operating result (EBIT) of the last 12 months in relation to the average total net capital employed in the comparable period. Total net capital employed is defined as net current assets plus fixed assets plus operationally necessary cash and cash equivalents less provisions.

2.1 Net operating current assets

Trade receivables

in KCHF	2021	2020
Trade receivables (nominal)	62,127	57,532
Specific value adjustments	- 1,032	- 1,128
General value adjustments	- 698	- 527
Total	60,397	55,877

Other receivables

Other receivables largely comprise reclaimable value added tax and receivables from social security institutions and from a company of the Metall Zug Group in accordance with an agreement on compensation payments in connection with the site transformation in Zug.

Inventories

in KCHF	2021	2020
Raw materials	11,383	6,484
Trade goods	18,036	15,322
Semi-finished and finished products	81,898	62,398
Advance payments to suppliers	314	-
Specific value adjustments	- 7,654	- 7,121
General value adjustments	- 11,933	- 13,025
Total	92,044	64,058

In the previous year, inventories of merchandise and semifinished and finished products were at a low level towards the end of the year due to high demand. The relocation of the refrigerator production plant from Arbon to Sulgen planned for the start of 2022 is leading to higher stocks of raw material and finished products to bridge the start of production. The increase in stocks of raw materials is also influenced by the more difficult procurement situation. In order to be able to fulfil the rapidly growing project business in China, additional finished products are in stock as of the balance sheet date. The increase in semifinished products is partly due to additional stocks of purchased components and microprocessors as a result of the more difficult procurement situation.

Advance payments from customers are not offset against inventories but are reported as Other current liabilities. They amount to CHF 8.7 million (previous year: CHF 5.6 million).

Other current liabilities

The Other current liabilities item includes taxes due, social insurance contributions, advance payments from customers and liabilities to customers from sales bonus agreements.

This item also includes badwill. Effective 1 March 2013, the newly established V-ZUG Kühltechnik AG acquired the business activities of the refrigeration equipment unit of AFG Arbonia-Forster Holding AG by way of an asset deal. The badwill resulting from the acquisition was presented within liabilities and systematically released over the subsequent years. The reasons for the existence of badwill are costs for deferred development activities and necessary adjustments to operations, both already factored into the purchase price. The badwill was reversed over time in line with the development activities and the adjustments to the operational processes. The remaining badwill as at the balance sheet date was CHF 1.8 million (previous year: CHF 4.7 million). Since the final adjustments to processes (relocation from Arbon to Sulgen) will be made in the 2022 financial year, the amount as at the balance sheet date is reported under Other current liabilities.

Accrued expenses and deferred income

The Accrued expenses and deferred income item contains accruals and deferrals for holidays, overtime and variable compensation (i.e. profit-sharing) as well as for services rendered and advertising cost sharing.

SIGNIFICANT ESTIMATES

In assessing the value of inventories, estimates are based on expected consumption, price trend (lowest value principle) and on the loss-free valuation. The estimates used to determine value adjustments of inventories are reviewed on an annual basis and changed as needed. Changes in sales figures or other circumstances may therefore lead to an adjustment of the book values.

ACCOUNTING PRINCIPLES

In addition to specific value adjustments for trade receivables, general value adjustments of up to 2% for domestic receivables and up to 5% for foreign receivables are recognised on the basis of past experience.

In the case of inventories, purchased goods are recognised at acquisition cost, predominantly according to the average cost method or at market value if lower. Self-produced goods are valued at production cost including indirect production costs or at market value if lower. In addition to specific value adjustments, general value adjustments are recognised for general valuation risks on the basis of past experience.

Liabilities are measured at their nominal value.

2.2 Tangible assets

in KCHF	Developed land and buildings	Plant and equipment	Prepayments and assets under construction	Other tangible assets	Total
Acquisition value 31.12.2021	203,860	234,623	53,322	46,321	538,126
Additions	1,439	2,605	42,482	4,391	50,917
Disposals	- 2	- 2,978	-	- 6,068	- 9,048
Reclassifications	5,034	22,641	- 28,484	705	- 104
Currency translation effects		29	- 16	121	134
Acquisition value 31.12.2020	197,389	212,326	39,340	47,172	496,227
Additions	413	2,595	48,797	2,567	54,372
Disposals	- 4,036	- 2,410	- 19	- 2,242	- 8,707
Reclassifications	42,407	12,201	- 55,672	844	- 220
Currency translation effects		- 44	- 10	- 185	- 239
Acquisition value 31.12.2019	158,605	199,984	46,244	46,188	451,021
Accumulated depreciation 31.12.2021	- 55,455	- 152,116	-	- 35,157	- 242,728
Depreciation current year	- 4,505	- 16,094		- 4,086	- 24,685
Impairment	-	- 687		- 173	- 860
Disposals	2	2,978		6,041	9,021
Currency translation effects		- 19		- 66	- 85
Accumulated depreciation 31.12.2020	- 50,952	- 138,294	-	- 36,873	- 226,119
Depreciation current year	- 3,743	- 15,800		- 3,988	- 23,531
Impairment	- 483	- 2			- 485
Disposals	4,036	2,331		2,240	8,607
Reclassifications	1,145	- 957		- 188	-
Currency translation effects		23		97	120
Accumulated depreciation 31.12.2019	- 51,907	- 123,889	-	- 35,034	- 210,830
Net value of tangible assets as at 31.12.2021	148,405	82,507	53,322	11,164	295,398
Net value of tangible assets as at 31.12.2020	146,437	74,032	39,340	10,299	270,108

The changes in developed land and buildings are due to the conclusion of construction works at the site of the new refrigerator plant in Sulgen in autumn 2021. Furthermore, after receiving the constructing permission at the start of the year, construction of the Zephyr Ost production building began in May 2021. This is the last building to complete the vertical factory at the Zug site and led to significant additions to prepayments and assets under construction. Moreover, the new surface technology facility in the Zephyr Hangar building commenced operations in November 2021. In addition to these investments in Zug, including for tools for new products, the ongoing expansions in Sulgen also led to further additions to plant and equipment.

The impairments of plant and equipment are connected with the site transformation in Zug, which involves production facilities being relocated, upgraded or replaced. As a result of the commencement of operations of the new surface technology, certain production facilities will no longer be used after the second quarter of 2022 and will be dismantled, leading to an adjustment of the remaining useful life and an impairment as of the balance sheet date.

The V-ZUG Group is investing in new production facilities through the site transformation at the Zug and Sulgen sites. This includes a new pressing plant with specific special tools and new surface technology, both at the Zug site, and a completely new production site in Sulgen. In connection with this, useful lives have been reassessed and increased from 13 to 18 years for the new more durable plant and equipment and from six to eight years for the new more durable special tools.

ACCOUNTING PRINCIPLES

Tangible assets are recorded at historical costs or at production costs less straight-line depreciation according to the following table. If required from an economic point of view, impairments are recognised to reflect the decrease in value.

Depreciation table

	Years
Industrial, commercial and office buildings	33 - 50
Plant and equipment	5 - 18
Special tools	3 - 8
Vehicles	5 - 10
Other movable assets	2 - 8

2.3 Intangible assets

in KCHF	2021	2020
Acquisition value 31.12.	35,348	35,691
Additions	2,125	1,496
Disposals	- 2,588	- 18,731
Reclassifications	104	220
Currency translation effects	16	- 16
Acquisition value 1.1.	35,691	52,722
Accumulated amortisation 31.12.	- 26,394	- 22,542
Amortisation current year	- 6,429	- 6,457
Disposals	2,588	18,731
Currency translation effects	- 11	8
Accumulated amortisation 1.1.	- 22,542	- 34,824
Net value intangible assets as at 31.12.	8,954	13,149
Net value intangible assets as at 1.1.	13,149	17,898

Intangible assets include software and purchased IT services, which will bring the organisation measurable benefits over several years. Further investments in the digitalisation of business processes are reported in additions.

ACCOUNTING PRINCIPLES

Acquired intangible assets are recognised if they will bring a measurable benefit to the company over several years. They are measured at historical cost less straight-line amortisation. The useful life and amortisation period of software is between two and five years. Self-developed intangible assets are not capitalised. Expenses for research and development are charged to the income statement.

2.4 Financial assets

in KCHF	2021	2020
Employer's contribution reserves	22,406	19,902
Shares in companies	1,982	1,982
Long-term loans and receivables	3,260	4,094
Total	27,648	25,978

Details of the changes in assets from employers' contribution reserves can be found in note 5.1 Pension schemes. A participation in a start-up in the smart kitchen sector is reported under shares in companies. Long-term loans and receivables include loans to third parties and deposits to secure rents. The item also contains a long-term receivable from a Group company of Metall Zug AG in the amount of CHF 2.1 million (previous year: CHF 3.3 million). The current portion is reported under the Other receivables item and described in note 2.1 Net operating current assets. The financial assets are impaired by CHF 0.3 million (previous year: CHF 0.3 million).

ACCOUNTING PRINCIPLES

Financial assets are recorded at their acquisition value less necessary impairments. Employers' contribution reserves without waiver of use are also recognised in the financial assets.

2.5 Provisions

in KCHF	Guarantees	Other	Total
Provisions 31.12.2021	28,926	1,790	30,716
Additions	21,407	85	21,492
Utilisation	- 19,164	- 800	- 19,964
Release		- 633	- 633
Currency translation effects	6	-	6
Provisions 31.12.2020	26,677	3,138	29,815
Additions	19,940	463	20,403
Utilisation	- 18,392	- 61	- 18,453
Release	- 65	- 65	- 130
Transfer		- 1,626	- 1,626
Currency translation effects	- 23	- 1	- 24
Provisions 31.12.2019	25,217	4,428	29,645
Of which current provisions 2021	19,445	10	19,455
Of which current provisions 2020	17,662	1,397	19,059

Provisions for guarantees cover the expected costs of guarantees and ex gratia services such as repairs.

The Other item includes provisions for soil remediation. A provision for soil remediation at the main V-ZUG site was recognised in 2019. As part of the preparations for construction work at the main V-ZUG site in Zug, extensive contamination investigations were carried out in consultation with the Canton of Zug Environment Office. The investigations identified various areas that require remediation. The remediation of these areas will be carried out together with the planned construction work. Given the legal remediation obligation and the advanced planning stage for these construction plots, provisions must be recognised for these remediation costs. Services totalling CHF 0.8 million (previous year: CHF 0.1 million) were rendered; provisions of CHF 0.6 million (previous year: CHF 0.1 million) were released as a result of the completion of the remediation work for the Zephyr Ost construction plot and provisions of CHF 0.1 million (previous year: CHF 0.2 million) were recognised due to new cost estimates. This recognition includes a discount on the provision of 1.5%.

SIGNIFICANT ESTIMATES

The level of provisions is largely determined by an estimate of future costs. The calculation for guarantee claims is based on product sales and past experience regarding costs and revenue. In addition to the flat-rate calculation, individual provisions for claims that have occurred or been reported are taken into account based on an assessment by management.

ACCOUNTING PRINCIPLES

A provision is recognised if the Group has a probable obligation based on past events for which the amount and due date are still uncertain but can be estimated. Provisions are classified according to their maturity, i.e. a distinction is made between current provisions with an expected cash outflow within the next 12 months and long-term provisions with an expected cash outflow after more than one year. Provisions for guarantees are calculated based on historical data (average of actual costs incurred in recent years relative to revenue).

2.6 Other long-term liabilities

The Other long-term liabilities item includes long-term deferred income of CHF 2.1 million (previous year: CHF 3.3 million) under an agreement between a company of the Metall Zug Group and V-ZUG AG on compensation payments in connection with the site transformation.

3. Financing and risk management

3.1 Cash and cash equivalents and securities

Cash and cash equivalents include cash on hand and bank balances. The securities consist of investments in Swiss francs.

ACCOUNTING PRINCIPLES

Securities held as current assets are recognised at current values. If no current value is available, they are measured at a maximum of cost less any impairment.

3.2 Shareholders' equity

Share capital

As at 31 December 2021, the share capital of V-ZUG Holding AG consisted of 6,428,571 (previous year: 6,428,571) registered shares each with a nominal value of CHF 0.27 (previous year: CHF 0.27). The total value of the share capital is CHF 1.7 million (previous year: CHF 1.7 million). In the previous year, V-ZUG Holding AG had carried out an ordinary capital increase by cash contribution as part of a capital restructuring in connection with the spin off from Metall Zug Group. In return for the issue of 1,928,571 registered shares in V-ZUG Holding AG with a nominal value of CHF 0.27 each to Metall Zug AG, Metall Zug AG made a contribution of a total of CHF 110 million, of which CHF 0.5 million as a share capital increase and CHF 109.5 million as a premium or capital contribution reserves, of which after the deduction of the statutory issue tax CHF 108.4 million can be paid out tax-free to shareholders with the dividend.

Non-distributable, statutory or legal reserves amount to CHF 2.6 million (previous year: CHF 2.6 million).

3.3 Financial result

in KCHF	2021	2020
Interest income	68	46
Income from securities	22	238
Foreign exchange gains	75	57
Financial income	165	341
Interest expenses	- 232	- 372
Losses on securities	- 8	- 11
Other financial expenses	- 184	- 176
Foreign exchange losses	- 372	- 210
Financial expenses	- 796	- 769
Financial result	- 631	- 428

3.4 Operating leases

The off-balance sheet obligations from operating leases break down by maturity as follows:

Maturing as at 31.12. in KCHF	2021	2020
up to 1 year	11,681	12,670
up to 3 years	13,679	13,192
over 3 years	3,915	1,600
Total	29,275	27,462

3.5 Other off-balance sheet obligations and contingent liabilities

There are firm purchase commitments of CHF 17.9 million (previous year: CHF 30.1 million) in place. The reduction in firm purchase commitments is connected with the progressing development of the main site in Zug and the new plant in Sulgen.

The carrying amount of the pledged long-term financial assets is CHF 0.9 million (previous year: CHF 0.6 million).

ACCOUNTING PRINCIPLES

Contingent liabilities are measured on the basis of the probability and amount of future unilateral benefits and costs and are disclosed in the notes.

3.6 Financial risk management

Risk assessment and management process

Risk assessment and risk control within the V-ZUG Group are based on a standardised four-stage risk management process which includes the following steps:

- Identification of risks: Every three years, extensive risk identification is conducted Group-wide. Within the scope of this, all business risks are compiled and documented on the basis of standard criteria. The identified risks are analysed each year until the next extensive survey is conducted and are updated and amended as necessary.
- Risk analysis: The senior executives evaluate the risks identified in step 1 with a view to their probability of occurrence and their impact. When assessing the impact of a risk, both the financial implications and the effect on reputation are considered.
- Risk control: The individual business risks and risk categories are assigned to risk managers, who define specific measures and monitor the implementation of these measures.
- Risk report: The Audit Committee and the Board of Directors of V-ZUG Holding AG receive a consolidated risk report on an annual basis.

Country risks

The V-ZUG Group is represented by its subsidiaries in selected metropolitan areas in Europe, Asia and Australia. Its global presence (share of foreign sales: 15.2%; previous year: 11.8%) sometimes exposes the Group to additional risks such as political, financial and social uncertainties.

Financial risk management

Overall, the V-ZUG Group adopts a conservative and risk-averse approach. The Group's business activities expose it to a variety of financial risks, including those related to changes in currency and interest rate risks. Derivative financial instruments such as foreign exchange, commodity and interest rate contracts may be used to hedge these risks.

The principles of financial risk management are determined at Group level and apply to all segments. Besides providing guidance on general financial risk management, the principles also set forth requirements for specific areas such as the management of interest rate, currency and counterparty risks, the use of derivative financial instruments and the investment policy for excess liquidity.

Liquidity risks

The Group uses a periodic liquidity planning instrument to monitor liquidity risk and has sufficient cash and cash equivalents and unused credit facilities to meet its liabilities. It had no financial liabilities as at the balance sheet date.

In addition, the Group's excellent credit rating would allow it to make efficient use of the financial markets for financing purposes.

Market risks and interest rate risks

The V-ZUG Group is exposed to commodity price risks as it requires raw materials such as steel to manufacture its products. The V-ZUG Group hedges the commodity price risk largely by entering into long-term purchasing agreements covering the projected purchasing volumes. In addition, the purchase prices for components are partly dependent on the market prices of commodities such as steel, aluminium, copper and plastics.

The V-ZUG Group has no interest-bearing financial liabilities at present. As a result, the Group's interest rate risk arises less from the structure and volume of its financing and more from its interest-bearing assets.

Unlisted securities are recognised at cost less any impairment.

Currency risks

The V-ZUG Group generates sales revenues and costs in foreign currencies in Switzerland and abroad. Exchange rate movements therefore have an impact on the consolidated results.

These risks are partly mitigated through what is known as natural hedging. Here, currency risks from cash inflows in a certain currency are neutralised by cash outflows in the same currency. However, the cash inflows and outflows are not the same size. As a result currency fluctuations can affect the V-ZUG Group's earnings margins, which means that the Group is exposed to a transaction risk. In the Household Appliances segment, which generates more costs than sales in foreign currencies, the EUR/CHF exchange rate is of primary relevance.

Transaction risks are monitored continually by the Group and hedged where necessary. This includes investments in tangible assets in EUR.

In addition, there is exposure to currency risks whenever competitors operating on a foreign currency cost basis factor the currency fluctuations in question into the prices of the products they sell in Switzerland. This can give rise to competitive advantages or disadvantages compared with competitors.

Due to bank balances and loans in foreign currencies, changes in exchange rates may also impact the financial result. The following table provides information about the net foreign currency effect in the financial result:

in KCHF	2021	2020
Foreign exchange losses (net)	- 297	- 153
in % of net result before taxes	- 0.5	- 0.3
Change from the previous year	- 144	49
Change in % of net result before taxes	- 0.2	0.1

Counterparty risks from treasury activities

Financial transactions are only entered into with counterparties with a high credit rating. Cash and cash equivalents and securities are invested in a variety of counterparties to avoid cluster risks.

Credit risks

Credit risks for the V-ZUG Group mainly arise from the sale of products and services (risk of default). The customer's financial circumstances are monitored on a permanent basis (wherever this makes sense). No additional collateral is normally required. As the Group has a broad customer base, its exposure to individual default risks is low. Specific allowances are recognised for anticipated bad debts. In addition, general allowances of no more than 2% are recognised for domestic receivables and general allowances of no more than 5% are recognised for foreign receivables on the basis of past experience.

in KCHF	2021	2020
Allowance for doubtful receivables	- 1,730	- 1,655
in % of trade receivables (gross)	2.8	2.9
Change from the previous year	- 75	436
Change in % of net result before taxes	- 0.1	0.9

Exchange rates

CHF			Rate as at the balance sheet date		Annual average rate	
			2021	2020	2021	2020
Euro countries	1	EUR	1.03	1.08	1.08	1.07
United Kingdom	1	GBP	1.23	1.20	1.26	1.20
Australia	1	AUD	0.66	0.68	0.69	0.65
Singapore	1	SGD	0.68	0.67	0.68	0.68
China	100	CNY	14.36	13.46	14.18	13.60
Hong Kong	100	HKD	11.70	11.35	11.76	12.10

Derivative financial instruments**Foreign exchange**

Values as at 31.12. in KCHF	2021	2020
Contract or nominal values (gross)	2,821	18,966
Positive replacement values	-	177
Negative replacement values	- 78	- 15

The contracts were concluded to hedge future operating cash flows in foreign currencies (primarily in EUR).

ACCOUNTING PRINCIPLES

Hedges are reported in the same way as the underlying transaction.

4. Group structure

4.1 Group companies

Company	Notes	Domicile	Currency	Share capital	Share of capital and votes
V-ZUG Holding AG		Zug	CHF	1,735,714	
Segment Household Appliances					
V-ZUG AG	1	Zug	CHF	1,900,000	100%
V-ZUG Kühltechnik AG	2	Sulgen	CHF	100,000	100%
SIBIRGroup AG		Spreitenbach	CHF	500,000	100%
V-ZUG Australia Pty. Ltd.		Sydney (AU)	AUD	100	100%
V-ZUG Europe BV		Harelbeke-Kortrijk (BE)	EUR	2,000,000	100%
V-ZUG UK Ltd.	3	London (UK)	GBP	100	100%
V-ZUG (Shanghai) Domestic Appliance Co., Ltd.		Shanghai (CN)	CNY	8 363 000	100%
V-ZUG (Changzhou) Special Components Co., Ltd.		Changzhou (CN)	CNY	19,370,000	100%
V-ZUG Hong Kong Co., Ltd.		Hong Kong (HK)	HKD	500 000	100%
V-ZUG Singapore Pte. Ltd.		Singapore (SG)	SGD	250,000	100%
V-ZUG Services AG	1	Zug	CHF	100,000	100%
Segment Real Estate					
V-ZUG Infra AG	1	Zug	CHF	3,518,590	100%
V-ZUG Assets AG	1	Zug	CHF	1,000,000	100%

¹⁾ Directly held by V-ZUG Holding AG.

²⁾ Relocation of headquarters from Arbon to Sulgen as of 18 November 2021.

³⁾ Established on 11 January 2021.

5. Other information

5.1 Pension schemes

The most important companies with pension plans are located in Switzerland, where pension schemes are organised through independent foundations or collective foundations in accordance with the Swiss Occupational Pensions Act (BVG). A patronage fund is also in place. The purpose of this fund is to provide a voluntary benefit scheme to current and former employees to assist with the economic consequences of old age, disability, death and hardship circumstances.

Employers' contribution reserves (ECR)

in KCHF	Balance sheet	Balance sheet	Result from ECR or similar items in personnel expenses	Result from ECR or similar items in personnel expenses
	31.12.2021	31.12.2020	2021	2020
Patronage fund	18,858	18,005	853	710
Pension schemes	3,548	1,897	1,651	1,614
Total	22,406	19,902	2,504	2,324

There are no waivers of use.

V-ZUG AG's pension fund allocated CHF 1.6 million (previous year: CHF 1.6 million) and V-ZUG AG's welfare fund allocated CHF 0.7 million (previous year: CHF 0.5 million) to the employers' contribution reserves. The interest on the employers' contribution reserve amounted to CHF 0.2 million (previous year: CHF 0.2 million).

Economic benefit/obligation and pension benefit expenses

in KCHF	Surplus/deficit according to pension plans 31.12.2021	Surplus/deficit according to pension plans 31.12.2020	Contributions for the period ¹⁾ 2021	Contributions for the period ¹⁾ 2020	Pension expenses in personnel expenses 2021	Pension expenses in personnel expenses 2020
Patronage fund	3,000	3,000				
Pension plans without surplus/ deficit			- 1,804	- 14,511	- 1,804	- 14,511
Pension plans with surplus	38,309	751	- 13,807	- 551	- 13,807	- 551
Total	41,309	3,751	- 15,611	- 15,062	- 15,611	- 15,062

¹⁾ All contributions were to pension schemes that bear pension risks themselves.

In the previous year, a pension plan with a surplus was not disclosed separately. An alignment was made in the current year, including restatement of prior-year figures. In 2021, V-ZUG AG's pension fund recognised new non-committed funds. The reported surpluses are not intended for the economic use of the organisation.

Most pension plans are financed through employer and employee contributions. Pension contributions are calculated as a percentage of the insured salaries.

ACCOUNTING PRINCIPLES

The income statement includes the payments due to the pension scheme provider in a period and current expenses for the execution of other pension plans. Real economic effects of pension plans on the Group are calculated at the balance sheet date. An economic benefit is only capitalised when this is to be used for the Company's future pension expenses. An economic obligation is recognised as a liability when the requirements for the recognition of a provision are met. Separate, freely available employers' contribution reserves are recognised as assets. The difference between the annually determined economic benefit and obligations and the change in the employers' contribution reserves are recognised in the income statement.

5.2 Transactions with related parties

The following tables show the transactions between companies of the V-ZUG Group and related parties included in the income statement:

Income statement

in KCHF	2021	2020
Net sales	49	60
Other operating revenue	3,937	2,931
Other operating expenses		
Rental expenses, property maintenance and energy supply	- 12,023	- 12,419
Management fees	-	- 619
Other (net)	- 1,431	- 2,515
Total	- 13,454	- 15,553
Financial expenses	-	- 22

Balance sheet

in KCHF	2021	2020
Assets		
Other receivables	1,849	1,504
Prepaid expenses	217	35
Tangible assets	766	1,306
Financial assets	2,100	3,300
Liabilities and shareholders' equity		
Other current liabilities	449	532
Accrued liabilities	291	253

Details of offsetting between the V-ZUG Group and related third parties

Other operating revenue includes income from transactions with companies of the Metall Zug Group. The charging in Switzerland arises in particular from the renting out of industrial properties and office premises, from compensation for additional expenses as a result of the site transformation in Zug and from compensation for certain administrative services and IT services provided to the Metall Zug Group by the V-ZUG Group or by third parties commissioned by the V-ZUG Group. The charging abroad relates to personal services.

The properties in the southern part of the main site in Zug and further properties in Zug are held by a company of the Metall Zug Group. Rental costs, property maintenance and energy costs are charged to the V-ZUG Group accordingly.

Management of the two real estate companies of the V-ZUG Group is contractually delegated to a company of the Metall Zug Group. The relevant services are paid for by the V-ZUG Group and reported under Other expenses. Furthermore, the Metall Zug Group offsets certain IT services and licence costs, which are provided by the Metall Zug Group or third parties commissioned by the Metall Zug Group. In the previous year, the Metall Zug Group provided services for certain staff functions for the V-ZUG Group on a temporary basis. These services are no longer being used.

A receivable is due from the Metall Zug Group in the amount of CHF 3.3 million (previous year: CHF 4.5 million), of which CHF 1.2 million (previous year: CHF 1.2 million) is of a short-term nature and reported under Other receivables and CHF 2.1 million (previous year: CHF 3.3 million) is reported under Financial assets. This is in connection with an agreement between a Metall Zug Group company and V-ZUG AG on compensation of additional expenses incurred by V-ZUG AG as a result of the site transformation in Zug. Furthermore, in connection with the site transformation, Metall Zug Group companies provided building contractor services in an amount of CHF 0.7 million (previous year: CHF 1.3 million), which are capitalised at the V-ZUG Group as an addition to non-current assets.

Offsetting was, in principle, carried out on the basis of the costs actually incurred plus a processing fee. Management is of the view that the above transaction is conducted at conditions such as are applied between independent third parties.

Report of the statutory auditor



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To the General Meeting of
V-ZUG Holding AG, Zug

Zug, 11 March 2022

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements presented on pages 68 to 97 of V-ZUG Holding AG, which comprise the consolidated income statement, consolidated balance sheet, consolidated statement of cash flows, changes in shareholders' equity and notes to the consolidated financial statements for the year ended 31 December 2021.



Board of Directors' responsibility

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



Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

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



Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Inventory valuation

Risk	Gross carrying amount and the related value adjustments amount to TCHF 111'631 and TCHF 19'587, respectively. The value adjustments primarily relate to spare parts and maintenance materials which are disclosed under semifinished and finished products as well as under trade goods. During our audit, we focused on this position, since it is material to the consolidated financial statements and the related value adjustments are based on assumptions that have a significant impact on the consolidated financial statements. Information regarding the valuation of inventory is disclosed under '2.1 Net operating current assets' on pages 81 and 82.
Our audit response	Besides the assessment of the acquisition or production cost of inventory, we evaluated the calculation of the value adjustments and compared management's assumptions with past experience. We evaluated the aging analysis to identify excess inventory. Furthermore, we compared acquisition and production costs with net realizable values and thus analyzed the valuation of inventories. Our audit procedures did not lead to any reservations concerning the measurement of inventory.



Completeness and measurement of provisions for guarantees

Risk The calculation of provisions for guarantees amounting to TCHF 28'926 is on one hand dependent on assumptions that are determined on the basis of past experience such as average actual costs incurred over the past years. On the other hand, costs that are expected to be incurred in the future due to new facts and circumstances are taken in to account. The position is significant for our audit, because the calculation includes management's estimation. The provisions are disclosed in section '2.5 Provisions' on pages 86 and 87.

Our audit response We assessed the assumptions by comparing them with past experience. In addition, we considered the influence of current events, such as the launch of new products or specific warranty claims. We discussed individual cases taken into account in the provisions with local management. Furthermore, we analyzed the criteria to recognize provisions as well as the underlying assumptions that were made in determining the relevant amounts. Our audit procedures did not lead to any reservations concerning the completeness and measurement of provisions for guarantees.

Revenue recognition

Risk Revenue from the sale of goods is recognized when the rights and obligations of ownership of the goods are transferred to the buyer. There are different contractual arrangements that determine the point in time at which the risks and rewards are transferred. Revenue from service contracts is realized over the corresponding term. Details of revenue recognition are disclosed under '1.1 Segment information' on page 74 as well as under '1.2 Net sales and other operating income' on page 75.

Our audit response We analyzed the revenue recognition process from order placement to billing. Among other procedures, we focused on the assessment of the recognition of sales transactions that took place close to the balance sheet date. We evaluated the transactions on the basis of the documents such as contracts and delivery notes. We compared credit notes issued in the new financial year with the respective accrual in the reporting year. Moreover, taking delivery terms (Incoterms) into account, we assessed whether the rights and obligations were transferred to the customer in the period under review. Our audit procedures did not lead to any reservations relating to the recognition of revenues.

**Report on other legal requirements**

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

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

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

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Silvan Lattion
Licensed audit expert

Income statement

in KCHF	2021	2020
Dividend income	1,000	15,000
Other operating revenue	5,991	3,582
Operating revenue	6,991	18,582
Personnel expenses	- 6,083	- 3,794
Other operating expenses	- 803	- 463
Operating expenses	- 6,886	- 4,257
Operating income (EBIT)	105	14,325
Financial income	503	742
Financial expenses	- 31	- 27
Financial result	472	715
Income before taxes	577	15,040
Taxes	1	- 94
Net income	578	14,946

Balance sheet

in KCHF	2021	2020
Cash and cash equivalents	4,609	2,059
Other receivables third parties	74	38
Other receivables subsidiaries	1	8,018
Prepaid expenses and accrued income third parties	36	24
Prepaid expenses and accrued income subsidiaries	5,985	3,580
Current assets	10,705	13,719
Loans to subsidiaries	116,220	112,000
Investments	25,659	25,659
Fixed assets	141,879	137,659
Assets	152,584	151,378
Other current liabilities third parties	171	158
Other current liabilities subsidiaries	-	18
Accrued expenses and deferred income third parties	2,337	1,704
Current liabilities	2,508	1,880
Share capital	1,736	1,736
Statutory capital reserves		
Other capital reserves	24,444	24,444
Capital contribution reserves	108,384	108,384
Statutory retained earnings	348	
Retained earnings		
Retained earnings carried forward	14,586	- 12
Net income	578	14,946
Shareholders' equity	150,076	149,498
Total liabilities and shareholders' equity	152,584	151,378

Notes to the financial statements

Principles

These financial statements have been prepared in accordance with the provisions on commercial accounting and financial reporting contained in the Swiss Code of Obligations (articles 957-963b CO).

Loans to subsidiaries

Loans to subsidiaries are recognised at their nominal value less any impairments.

Information on income statement and balance sheet items

Operating revenue

Subsidiaries' dividends are determined in relation to retained earnings and capital requirements. Other operating revenue includes the recharging of management fees to a subsidiary company.

Operating expenses

Personnel expenses and Other operating expenses include remuneration of the Executive Committee, the fees of the Board of Directors, the costs of carrying out the Annual General Meeting and other shareholder and investor activities, the costs of preparing the Annual Report, audit costs for internal and external audit, project costs and capital tax.

Financial result

Financial income includes interest income from receivables from investments. The financial expenses come from bank interest charges.

Current assets

Cash and cash equivalents consist of current account bank balances in Swiss francs. Prepaid expenses and accrued income relating to subsidiaries mainly comprise management fees.

Fixed assets

The subsidiaries are granted long-term loans to finance operating activities.

Liabilities

Accrued expenses and deferred income relating to third parties comprise accruals for variable compensation and services for shareholder activities.

Shareholders' equity

As at 31 December 2021, the share capital of V-ZUG Holding AG consisted of 6,428,571 (previous year: 6,428,571) registered shares with a nominal value of CHF 0.27 (previous year: CHF 0.27). The total value of the share capital is CHF 1.7 million (previous year: CHF 1.7 million). In the previous year, V-ZUG Holding AG had carried out an ordinary capital increase by cash contribution as part of a capital restructuring in connection with the spin off from Metall Zug Group. In return for the issue of 1,928,571 registered shares in V-ZUG Holding AG with a nominal value of CHF 0.27 each to Metall Zug AG, Metall Zug AG made a contribution of a total of CHF 110 million, of which CHF 0.5 million as a share capital increase and CHF 109.5 million as a premium or capital contribution reserves, of which after the deduction of the statutory issue tax CHF 108.4 million can be paid out tax-free to shareholders with the dividend.

Further information

Significant shareholders

Number	Registered shares	Votes in %	Registered shares*	Votes in %
	2021		2020	
Metall Zug AG	1,945,871	30.27	1,945,871	30.27
Heinz M. Buhofer ¹⁾	572,520	8.91	572,420	8.90
Shareholder group Stöckli ²⁾	524,134	8.15	524,134	8.15
Werner O. Weber ³⁾	506,290	7.88	506,290	7.88
Elisabeth Buhofer-Rubli	391,170	6.08	391,170	6.08
Annelies Häcki Buhofer ⁴⁾	290,354	4.52	288,354	4.49
Vontobel Fonds Services AG	199,291	3.10	193,419	3.01

* Significant shareholders in the previous year including Martin Buhofer with 241,990 registered shares and 3.76% of the votes, as of 31 December 2021 below 3%.

¹⁾ Partly held indirectly through Werma GmbH, Zug.

²⁾ Hubert Stöckli-Hernandez, Helen Jauch-Stöckli, Johannes Stöckli, Elisabeth Stöckli Enzmann, Matthias Stöckli-Aguilar (shareholders' agreement).

³⁾ Held indirectly through WEMACO Invest AG, Zug.

⁴⁾ Mainly held indirectly through Holmia Holding AG, Zug.

Investments

See note 4.1 to the consolidated financial statements (Group companies).

Share ownership by current members of the governing bodies

Number	2021	2020*
Oliver Riemenschneider, Chairman of the Board of Directors	1,100	1,100
Annelies Häcki Buhofer, Member of the Board of Directors	290,404 ¹⁾	288,404 ¹⁾
Prisca Hafner, Member of the Board of Directors	250	-
Tobias Knechtle, Member of the Board of Directors	550	-
Petra Rumpf, Member of the Board of Directors	1,000	1,000
Jürg Werner, Member of the Board of Directors	200	200
Peter Spirig, Chief Executive Officer (CEO)	500 ²⁾	100 ²⁾
Adrian Ineichen, Chief Financial Officer (CFO)	300	-
Stephan Keller, Chief Technology Officer (CTO)	100	220 ³⁾

* Share ownership in the previous year including 10 shares held by Manuel Faeh (Senior Vice President Business Development) and 330 shares held by Max Herger (Senior Vice President Operations), both of whom left the Executive Committee in the reporting year.

¹⁾ Mainly held indirectly through Holmia Holding AG, Zug, and partly held by related parties.

²⁾ Partly held by related parties.

³⁾ Held by related parties.

Information about compensation of the Board of Directors and the Executive Committee is contained in the Compensation Report.

Sureties

To secure Group companies' credit lines, joint and several sureties of CHF 6.2 million (previous year: CHF 16.5 million) have been given to banks.

Number of full-time equivalents

As of 31 December 2021, V-ZUG Holding AG had 8 full-time positions (previous year: 8).

Events after the balance sheet date

There were no events between 31 December 2021 and 11 March 2022 that would require an adjustment to the carrying amounts of assets or liabilities of V-ZUG Holding AG or would need to be disclosed under this heading.

Proposal of the Board of Directors for the appropriation of available earnings

in CHF	Proposal of the Board of Directors 2021	Resolution of the General Meeting of Shareholders 2020
Retained earnings carried forward	14,586,470	- 11,700
Net income	577,933	14,946,170
Retained earnings	15,164,403	14,934,470
Allocation to statutory retained earnings	-	348,000
Retained earnings to be carried forward	15,164,403	14,586,470

Report of the statutory auditor



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To the General Meeting of
V-ZUG Holding AG, Zug

Zug, 11 March 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements presented on pages 102 to 106 of V-ZUG Holding AG, which comprise the income statement, balance sheet and notes, for the year ended 31 December 2021.



Board of Directors' responsibility

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



Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

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



Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments and loans

Risk	The core business of V-ZUG Holding AG is granting loans to subsidiaries (TCHF 116'220) and holding investments (TCHF 25'659). These two items make up 93% of all assets of the entity. Depending on the operational developments of the individual subsidiaries, there is a valuation risk regarding investments and loans. Disclosures are made in the notes to the financial statements under 'Fixed assets' (page 104) and 'Investments' (page 105).
Our audit response	We assessed the impairment considerations of management and tested if impairments on investments and loans were necessary. We compared the carrying amounts of the investments with the proportionate share in equity. In case net assets were insufficient, we tested the valuations prepared by management (e.g., using the discounted cash flow method) to support the carrying amount. We examined the significant assumptions made for these calculations and involved internal valuation specialists as necessary. Our audit procedures did not lead to any reservations concerning the valuation of investments and loans.

**Report on other legal requirements**

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

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

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

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Silvan Lattion
Licensed audit expert

4-year overview of Group

in CHF million	2021	2020	2019 ¹⁾	2018 ¹⁾
Consolidated income statement				
Net sales	623.7	569.4	543.6	539.0
Change in net sales compared with previous year in %	9.5	4.7	0.9	0.9
- Personnel expenses	- 215.2	- 204.4	- 203.3	- 203.3
- Research and development	- 61.3	- 59.5	- 60.9	- 58.2
EBITDA	94.7	79.6	56.9	70.4
- Depreciation, amortisation and impairment	- 32.0	- 30.5	- 27.3	- 22.2
Operating result (EBIT)	62.7	49.2	29.6	48.2
- Financial result	- 0.6	- 0.4	- 0.7	- 0.7
- Taxes	- 6.6	- 5.5	- 1.6	- 6.7
Group net result	55.4	43.2	27.3	40.9
Consolidated balance sheet				
Total assets	616.1	554.7	471.7	410.0
Current assets	284.1	245.5	188.7	178.8
in % of total assets	46.1	44.3	40.0	43.6
Net cash and cash equivalents	117.2	107.7	36.2	40.5
in % of total assets	19.0	19.4	7.7	9.9
Fixed assets	332.0	309.2	283.0	231.2
in % of total assets	53.9	55.7	60.0	56.4
Total liabilities	167.3	161.5	230.0	180.7
in % of total assets	27.1	29.1	48.8	44.1
Shareholders' equity	448.9	393.2	241.6	229.3
in % of total assets	72.9	70.9	51.2	55.9
Cash flow/capital expenditure/employees				
Cash flow from operating activities	63.5	99.4	37.7	64.3
Capital expenditure	53.1	55.8	74.3	64.2
Employees as per 31.12. (FTE)	2,080	1,999	1,940	1,935
Segment Household Appliances				
Net sales	623.7	569.4	543.6	539.0
Operating result (EBIT)	58.1	46.2	28.3	44.5
in % of net sales	9.3	8.1	5.2	8.3
Segment Real Estate				
Operating result (EBIT)	5.4	3.7	1.3	3.7

¹⁾ Combined historical financial statements.

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(As at: 1 March 2022)

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Disclaimer

All statements in this Annual Report that do not relate to historical facts are forward-looking statements that express intentions, beliefs, expectations and projections about future financial, operational and other developments and results. These statements and the underlying assumptions are subject to numerous risks, uncertainties and other factors that could cause actual developments to differ materially. Market data and valuations as well as past trends and valuations described in this Annual Report are no guarantee of the future development and future value of the company or the V-ZUG Group.

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Photos

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René Blöchlinger, Director of Property Maintenance Sulgen (p. 30)

Other photos provided