

# Financial statements dormakaba Holding AG

# Balance sheet

## Assets

CHF million	Note	Financial year ended 30.06.2020	Financial year ended 30.06.2019
<b>Current assets</b>			
Cash and cash equivalents		0.1	0.2
<b>Total current assets</b>		<b>0.1</b>	<b>0.2</b>
<b>Non-current assets</b>			
Investments	<a href="#">2.1</a>	704.9	704.9
Loans to Group companies	<a href="#">2.2</a>	170.9	173.6
<b>Total non-current assets</b>		<b>875.8</b>	<b>878.5</b>
<b>Total assets</b>		<b>875.9</b>	<b>878.7</b>

## Liabilities and equity

CHF million	Note	Financial year ended 30.06.2020	Financial year ended 30.06.2019
<b>Current liabilities</b>			
Other current liabilities: third parties		0.7	1.1
Accruals		0.1	0.1
<b>Total current liabilities</b>		<b>0.8</b>	<b>1.2</b>
<b>Long-term provisions</b>	<a href="#">2.3</a>	<b>11.3</b>	<b>13.5</b>
<b>Equity</b>			
Share capital	<a href="#">2.4</a>	0.4	0.4
Legal capital reserves			
- reserves from capital contributions		93.5	159.9
Legal reserves		261.0	261.0
Reserves for treasury shares	<a href="#">2.6</a>	31.4	38.7
Statutory retained earnings			
- available earnings carried forward		411.3	341.9
Net profit for the year		66.2	62.1
<b>Total equity</b>		<b>863.8</b>	<b>864.0</b>
<b>Total liabilities and equity</b>		<b>875.9</b>	<b>878.7</b>

# Income statement

CHF million	Note	Financial year ended 30.06.2020	Financial year ended 30.06.2019
<b>Operating revenues</b>			
Income from investments			
- Dividend income	<a href="#">3.1</a>	67.5	63.6
Interest from Group loans		5.4	5.4
<b>Total operating revenues</b>		<b>72.9</b>	<b>69.0</b>
<b>Operating expenses</b>			
Financial expenses	<a href="#">3.2</a>	-3.6	-3.5
Cost of services provided by Group companies		0.0	-0.1
Personnel expenses		-1.8	-1.8
Other operating expenses	<a href="#">3.3</a>	-1.0	-1.1
Direct taxes	<a href="#">3.4</a>	-0.3	-0.4
<b>Total operating expenses</b>		<b>-6.7</b>	<b>-6.9</b>
<b>Net profit for the period</b>		<b>66.2</b>	<b>62.1</b>

# Notes to the financial statements

## 1. Principles

### 1.1 General

These annual financial statements were prepared in accordance with the provisions of the Swiss accounting law (Title 32 of the Swiss Code of Obligations [CO]). The main valuation principles applied that are not prescribed by law are described below.

In accordance with the provisions of the Swiss accounting law (article 961d para. 1 CO), the company does not provide a management report, a cash flow statement, or additional information in the notes and refers instead to the consolidated financial statements of dormakaba Holding AG for the relevant information.

### 1.2 Loans to Group companies and other financial assets

Loans granted to Group companies and other financial investments in foreign currencies are valued at the market rate on the balance sheet date. The valuation is at nominal values, taking into consideration any impairment required.

### 1.3 Investments

Investments are valued in accordance with the principle of individual valuation. General value adjustments can be applied.

### 1.4 Dividend income

Dividend income is booked when payment is received.

## 2. Information on balance sheet items

### 2.1 Investments

		Share capital in local currency	Voting rights in %
dormakaba Holding GmbH + Co. KGaA, Ennepetal/DE	EUR	27,642,105	52.5
dormakaba Beteiligungs-GmbH, Ennepetal/DE	EUR	1,000,000	52.5

There are no changes to the investments.

### 2.2 Loans to Group companies

Counterparty	Currency	Interest rate	Financial year ended 30.06.2020	Financial year ended 30.06.2019
dormakaba International Holding AG, Rümlang/CH	CHF	1.00%	170.9	173.6
<b>Total loans to Group companies</b>			<b>170.9</b>	<b>173.6</b>

### 2.3 Long-term provisions

These provisions relate to general risks.

### 2.4 Share capital

As at 30 June 2020, the share capital amounted to CHF 420,002.60 divided into 4,200,026 registered shares at a par value of CHF 0.10.

Conditional capital as at 30 June 2020 amounted to CHF 42,438.40.

In accordance with the resolution of the Annual General Meeting (AGM) of 22 October 2019, the Board of Directors (BoD) is authorized to increase the share capital by no later than 22 October 2021 up to a maximum amount of CHF 42,000 by issuing a maximum of 420,000 fully paid-in registered shares with a nominal value of CHF 0.10 each. The increase may be made in partial amounts.

No shares were issued out of the authorized capital in the year under review.

## 2.5 Principal shareholders

	As at 30.06.2020		As at 30.06.2019	
	No. of shares at CHF 0.10 par value	%	No. of shares at CHF 0.10 par value	%
<b>Pool Shareholders <sup>1)</sup></b>	<b>1,205,449</b>	<b>28.7</b>	<b>1,143,963</b>	<b>27.2</b>
<b>Group's treasury shares</b>	<b>42,810</b>	<b>1.0</b>	<b>54,709</b>	<b>1.3</b>
<b>Public shareholders</b>				
T. Rowe Price Associates, Inc., Baltimore, USA <sup>2)</sup>			135,903	3.2
Other public shareholders	2,926,306	69.7	2,842,347	67.7
<b>Total public shareholders</b>	<b>2,926,306</b>	<b>69.7</b>	<b>2,978,250</b>	<b>70.9</b>
<b>BoD and EC members <sup>3)</sup></b>				
BoD members	553,987	13.2	491,484	11.7
EC members <sup>4)</sup>	17,497	0.4	16,251	0.4
Less double-counting in respect of Riet Cadonau <sup>5)</sup>	-5,840	-0.1	-4,730	-0.1
<b>Total BoD and EC members</b>	<b>565,644</b>	<b>13.5</b>	<b>503,005</b>	<b>12.0</b>
Less double-counting in respect of Pool Shareholders <sup>6)</sup>	-540,183	-12.9	-479,901	-11.4
<b>Total shares</b>	<b>4,200,026</b>	<b>100.0</b>	<b>4,200,026</b>	<b>100.0</b>

1) The following persons are party to the pool agreement dated 29 April 2015: Familie Mankel Industriebeteiligungs GmbH + Co. KGaA / Ennepetal, Mankel Family Office GmbH / Ennepetal, KRM Beteiligungs GmbH / Ennepetal, Christine Mankel / Ennepetal, Stephanie Brecht-Bergen / Hamburg, as well as Martina Bössow / Meilen, heirs of Anja Bremi, Ulrich Bremi / Zollikon, Balz Dubs / Zurich, Karina Dubs / Zurich, Kevin Dubs / Zurich, Linus Dubs / Zurich, Anja Flückiger / Forch, Christian Forrer / Bern, Karin Forrer / Muri, Anna Katharina Kuenzle / Thalwil, Clive Kuenzle / Zurich, Michael Kuenzle / Meilen, Alexandra Sallai / Worb, Christoph Sallai / Worb, Andrea Ullmann / Zollikon, Sascha Ullmann / Zollikon, Adrian Weibel / Meilen and Tonia Weibel / Meilen.

2) Shareholdings as at 30 June 2020 is below 3%.

3) Including related parties.

4) Includes restricted shares granted at hiring date on 1 April 2020 to the (then designated) COO AS AMER as part of a replacement award in order to compensate for part of the forfeited long-term incentive plan at his previous employer. Further details are provided in the chapter '[Compensation architecture for the EC](#)' of the Compensation Report.

5) Shareholdings of Riet Cadonau as BoD and EC member are included under BoD members and EC members.

6) Shareholdings of Pool Shareholders who are also BoD members are included under Pool Shareholders and BoD members.

## 2.6 Treasury shares

	Financial year ended 30.06.2020		Financial year ended 30.06.2019	
	CHF million	Number of shares	CHF million	Number of shares
Treasury shares at the beginning of the period	0.0	–	0.2	350
Purchase	1.1	1,787	0.7	880
Share-based compensation	-1.0	-1,787	-0.9	-1,230
Revaluation	-0.1	–	0.0	–
<b>Treasury shares at the end of the period</b>	<b>0.0</b>	<b>–</b>	<b>0.0</b>	<b>–</b>
Treasury shares held in other Group entities	31.4	42,810	38.7	54,709
<b>Total Group's treasury shares at the end of the period</b>	<b>31.4</b>	<b>42,810</b>	<b>38.7</b>	<b>54,709</b>

### 3. Information on the income statement

#### 3.1 Dividend income

The dividend income for the year is CHF 67.5 million (2018/19: CHF 63.6 million).

#### 3.2 Financial expenses

The financial expenses relate primarily to guarantee fees paid to dormakaba Holding GmbH + Co. KGaA to guarantee the bond issued by dormakaba Finance AG.

#### 3.3 Other operating expenses

The main expense items relate to external consulting services and marketing expenses.

#### 3.4 Direct taxes

Direct taxes comprise capital taxes and income taxes.

### 4. Other information

#### 4.1 General information

dormakaba Holding AG is incorporated and domiciled in Rümlang (Switzerland). The address of its registered office is Hofwissenstrasse 24, 8153 Rümlang, Switzerland.

The company is listed on the SIX Swiss Exchange.

#### 4.2 Full-time equivalents

As at 30 June 2020, dormakaba Holding AG did not employ any personnel.

#### 4.3 Contingent liabilities

CHF million	Financial year ended 30.06.2020	Financial year ended 30.06.2019
Guarantees	693.7	693.7
Of which used	0.0	0.0

As in the previous year, the guarantees disclosed relate to the guarantee accorded to the bondholders for the bonds issued by dormakaba Finance AG in the total nominal amount of CHF 680.0 million.

The dormakaba companies in Switzerland are treated as a single entity for VAT purposes (Group taxation article 13 Swiss VAT Act). If one company is unable to meet its payment obligations to the taxation authorities, the other Group companies within the tax group are jointly and severally liable.

### 5. Conditional and authorized capital

	Financial year ended 30.06.2020		Financial year ended 30.06.2019	
	Share capital value in CHF	Number of shares	Share capital value in CHF	Number of shares
Conditional capital at the end of the period	42,438	424,384	42,438	424,384
Authorized capital at the end of the period	42,000	420,000	42,000	420,000

Conditional capital of CHF 36,000 (2018/19: CHF 36,000) is earmarked for the coverage of convertible bonds and warrant bonds, plus CHF 6,438.40 (2018/19: CHF 6,438.40) for shares or share options to associates and BoD members of which CHF 0 (2018/19: CHF 0) were exercised in the 2019/20 financial year.

The authorized capital at year-end amounts to CHF 42,000 (2018/19: CHF 42,000).

## 6. Shareholdings of BoD and EC members

As at the reporting date, the individual BoD and EC members (including related parties) held the following numbers of shares in dormakaba Holding AG. None of the BoD and EC members held any options.

Number of shares	Financial year ended 30.06.2020	Financial year ended 30.06.2019
<b>BoD</b>		
Birgersson Jens	347	52
Brecht-Bergen Stephanie	220,156	190,117
Cadonau Riet <sup>1)</sup>	5,840	4,730
Daeniker Daniel	1,687	1,532
Dörig Rolf	2,626	2,471
Dubs-Kuenzle Karina	99,746	99,591
Gummert Hans	762	587
Heppner John	919	743
Hess Hans	1,623	1,468
Mankel Christine	220,281	190,193
<b>Total BoD</b>	<b>553,987</b>	<b>491,484</b>
<b>EC</b>		
Berninger Alwin	210	80
Bewick Stephen <sup>2)</sup>	199	
Brinker Bernd	1,549	974
Cadonau Riet <sup>1)</sup>	5,840	4,730
Gaspari Roberto <sup>3)</sup>		3,259
Häberli Andreas	2,265	1,872
Housten Alex <sup>4)</sup>	564	
Kincaid Michael <sup>5)</sup>	1,543	1,166
Lee Jim-Heng	2,329	1,829
Lichtenberg Jörg <sup>5)</sup>	853	532
Zocca Stefano	2,145	1,809
<b>Total EC</b>	<b>17,497</b>	<b>16,251</b>

1) BoD and EC member, therefore displayed in both groups for the years of membership.

2) EC member as of 1 January 2020.

3) EC member until 31 December 2019.

4) Designated EC member from 1 April 2020 until 30 June 2020. EC member (successor of Michael Kincaid) as of 1 July 2020. The shares were granted at hiring date on 1 April 2020 as part of a replacement award in order to compensate for part of the forfeited long-term incentive plan at his previous employer. Further details are provided in the chapter '[Compensation architecture for the EC](#)' of the [Compensation Report](#).

5) EC member until 30 June 2020.

## 7. Events occurring after the balance sheet date

There were no events between 30 June 2020 and 27 August 2020 which would necessitate adjustments to the book value of the Group's assets or liabilities, or which require additional disclosure in the financial statements.

# Appropriation of retained earnings

## Proposal for the appropriation of available retained earnings as at 30 June 2020

CHF million	Financial year ended 30.06.2020	Financial year ended 30.06.2019
Net profit for the period	66.2	62.1
Allocation from reserves for treasury shares	7.3	-30.1
Statutory retained earnings carried forward from previous year	404.0	372.0
<b>Unappropriated retained earnings at the end of the period</b>	<b>477.5</b>	<b>404.0</b>
Allocation from reserves from capital contributions <sup>1)</sup>	22.1	67.2
<b>Total at the AGM's disposal</b>	<b>499.6</b>	<b>471.2</b>

<sup>1)</sup> Reserves from capital contributions will only be released in the amount of the resolution of the AGM.

The BoD will propose to the shareholders at the AGM on 20 October 2020 a total distribution of CHF 44.2 million on the basis of the share capital of CHF 420,002 (4,200,026 shares at CHF 0.10) without contribution to other reserves, to be equally paid out from the reserves from capital contributions and statutory retained earnings:

- CHF 22.1 million (2018/19: CHF 67.2 million) from capital contributions without deduction of Swiss withholding tax; and
- CHF 22.1 million (2018/19: CHF 0) from statutory retained earnings subject to Swiss withholding tax

CHF million	Proposal to the AGM 2020	Approved by the AGM 2019
Distribution from reserves from capital contributions <sup>1)</sup>	22.1	67.2
Dividend distribution from statutory retained earnings <sup>1)</sup>	22.1	0.0
To be carried forward	455.4	404.0
<b>Total at the AGM's disposal</b>	<b>499.6</b>	<b>471.2</b>

<sup>1)</sup> Calculated based on the number of total shares as at 30 June 2020. The total amount of the distribution depends on the number of shares entitled to dividend as at 21 October 2020. Treasury shares are not entitled to dividend payout.

After approval of this proposal by the AGM, the distribution from the reserves from capital contributions as well as dividend distribution from statutory retained earnings will be paid out on 26 October 2020 according to the instructions received: CHF 10.50 (2018/19: CHF 16.00) gross per listed registered share at CHF 0.10 par value.



# Report of the statutory auditor

to the General Meeting of dormakaba Holding AG

Rümlang

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of dormakaba Holding AG, which comprise the balance sheet as at 30 June 2020, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 85 to 91) as at 30 June 2020 comply with Swiss law and the company's articles of incorporation.

### Basis for opinion

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

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 4'379'500
<b>How we determined it</b>	0.5% of total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as benchmark because, in our view, it is a relevant benchmark for a holding company and it is a generally accepted benchmark for holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 437'950 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

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

We have determined that there are no key audit matters to communicate in our report.

### Responsibilities of the Board of Directors for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

### Report on other legal and regulatory requirements

In accordance with article 728a paragraph 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.

PricewaterhouseCoopers AG



Beat Inauen  
Audit expert  
Auditor in charge



Reto Tognina  
Audit expert

Zürich, 27 August 2020