

# FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

<b>1</b>	<b>FINANCIAL STATEMENTS OF INTERROLL HOLDING AG</b>	122
<b>2</b>	<b>GENERAL INFORMATION ON THE FINANCIAL STATEMENTS</b>	124
<b>3</b>	<b>NOTES TO THE FINANCIAL STATEMENTS</b>	125
<b>4</b>	<b>OTHER DISCLOSURES ACCORDING TO SWISS LAW</b>	127
<b>5</b>	<b>PROPOSED APPROPRIATION OF AVAILABLE EARNINGS</b>	127
<b>6</b>	<b>REPORT OF THE STATUTORY AUDITOR</b>	128

# 1 FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

## 1.1 Balance sheet

in CHF thousands	see notes*	31.12.2020	31.12.2019
<b>ASSETS</b>			
Cash and cash equivalents		580	5,385
Accounts receivable from subsidiaries		1,535	2,033
Other receivables from third parties		264	135
Loans to subsidiaries	3.3	248	8,062
<b>Total current assets</b>		<b>2,627</b>	<b>15,615</b>
Investments		114,817	105,354
Loans to subsidiaries	3.3	4,412	7,885
<b>Total noncurrent assets</b>		<b>119,229</b>	<b>113,239</b>
<b>Total assets</b>		<b>121,856</b>	<b>128,854</b>
<b>EQUITY AND LIABILITIES</b>			
Trade and other accounts payable to subsidiaries		517	328
Trade and other accounts payable to third parties		31	16
Loans from subsidiaries	3.4	43,152	3,674
Accrued expenses		1,965	2,115
<b>Total current liabilities</b>		<b>45,665</b>	<b>6,133</b>
<b>Total noncurrent liabilities</b>		<b>-</b>	<b>-</b>
Share capital	3.5	854	854
Legal reserve			
- Share premium		8	8
- Other legal reserves		5,209	5,209
- Available earnings		126,472	143,395
Treasury shares	3.1	-56,352	-26,745
<b>Total shareholder's equity</b>		<b>76,191</b>	<b>122,721</b>
<b>Total liabilities and equity</b>		<b>121,856</b>	<b>128,854</b>

\* See notes to the financial statements.

## 1.2 Income statement

in CHF thousands	2020	2019
Investment income	–	–
Royalty income	5,066	5,552
Other operating income	1,555	2,078
Financial income	3,678	3,220
<b>Total income</b>	<b>10,299</b>	<b>10,850</b>
Administration expenses	–588	–529
Personnel expenses	–2,468	–2,914
Other operating expenses	–2,554	–1,873
Financial expenses	–2,778	–3,310
<b>Total expenses</b>	<b>–8,388</b>	<b>–8,626</b>
<b>Result before income taxes</b>	<b>1,911</b>	<b>2,224</b>
Direct taxes	–	–
<b>Result</b>	<b>1,911</b>	<b>2,224</b>

## 1.3 Statement of changes in equity

in CHF thousands	Share capital	Reserves from capital contrib.	Legal reserve	Available earnings	Treasury shares	Total
<b>As at 1.1.2019</b>	<b>854</b>	<b>8</b>	<b>5,209</b>	<b>159,681</b>	<b>–17,638</b>	<b>148,114</b>
Result 2019				2,224		2,224
Distribution from face value reduction				–18,510		–18,510
Change of balance for treasury shares					–9,107	–9,107
<b>As at 31.12.2019</b>	<b>854</b>	<b>8</b>	<b>5,209</b>	<b>143,395</b>	<b>–26,745</b>	<b>122,721</b>
Result 2020				1,911		1,911
Dividend payment, net				–18,834		–18,834
Change of balance for treasury shares					–29,607	–29,607
<b>As at 31.12.2020</b>	<b>854</b>	<b>8</b>	<b>5,209</b>	<b>126,472</b>	<b>–56,352</b>	<b>76,191</b>

## 2 GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

### 2.1 Accounting policies

#### Accounting law

The 2020 financial statements were prepared according to the provisions of Swiss law on Accounting and Financial Reporting (32<sup>nd</sup> title, Swiss Code of Obligations).

#### Current/noncurrent distinction

Current assets are assets expected to be realized or consumed in the normal course of the company's operating cycle or assets held for trading purposes. All other assets are classified as noncurrent assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the company's operating cycle or liabilities due within one year from the reporting date. All other liabilities are classified as noncurrent liabilities.

#### Foreign currency translation

Transactions in foreign currencies are recorded using exchange rates prevailing at the time of the transaction. Gains or losses arising upon settlement of these transactions are included in the current year's income under financial income and financial expenses, respectively. Monetary assets and liabilities denominated in foreign currencies as at 31 December are translated using the exchange rates prevailing at the balance sheet date. Any gains or losses resulting from this translation are also included in the current year's income, except for realized gains, which are deferred.

#### Forgoing a cash flow statement and additional disclosures in the notes

As Interroll Holding AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forgo presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

### 2.2 Valuation principles

#### Cash and cash equivalents, accounts receivable and payable

Cash and cash equivalents are stated at nominal value. Accounts receivable are stated at nominal value less any valuation adjustment for credit risks. Accounts payable are stated at nominal value. Accounts receivable from Group companies arise from services provided by Interroll Holding AG and related invoiced interest and royalties. These services are recognized on an accrual basis.

#### Treasury shares

Treasury shares are stated at the lower of cost and fair value.

#### Loans

Noncurrent loans receivable are stated at nominal value less any valuation adjustments deemed necessary to reflect the credit risk. Non-current loans payable are stated at nominal value.

#### Investments

Investments are stated at cost less any valuation adjustments deemed necessary to recognize a decline other than temporary in value (impairment).

#### Accrued expenses

Accrued expenses primarily relate to interest due on loans payable stated at nominal value and to accruals for the remuneration of the Board of Directors.

### 3 NOTES TO THE FINANCIAL STATEMENTS

#### 3.1 Treasury shares

##### Shares sold, acquired and held in the periods under review

In the year under review as well in the previous year, no own shares were sold. In the year under review, the Company acquired 12,800 shares (previous year: 5,700 shares). At year end 2020, the Company held 28.620 own shares at the book value of CHF 56.3 million (2019: 16,559 own shares at a book value of CHF 26.7 million).

##### Allocation of treasury shares to employees

739 shares (previous year: 989) at a carrying value of CHF 1.4 million (previous year: CHF 1.8 million) were attributed to employees.

#### 3.2 Investments

An overview of the material investments either directly or indirectly held by Interroll Holding AG can be found in the notes to the consolidated statements of the Interroll Group (see note 8.4 Scope of consolidation).

#### 3.3 Loans to subsidiaries

The interest rates used were the following:

	Lowest	Highest
In the year 2020	0.20%	0.50%
In the year 2019	0.00%	3.00%

Loans to subsidiaries are normally redeemable with a notice period of three months. At year end, loans of CHF 4.7 million (2019: CHF 18.8 million) were outstanding. In the year under review, no impairments were recognized on loans (previous year: CHF 2.8 million). In the year under review, of the total CHF 4.7 million in loans (2019: CHF 18.8 million), CHF 0.2 million (2019: CHF 18.8 million) was reported as short-term loans.

#### 3.4 Loans from subsidiaries

The following interest rates were used:

	Lowest	Highest
In the year 2020	0.20%	0.49%
In the year 2019	1.00%	3.00%

Loans due from subsidiaries are normally redeemable with a notice period of three months. As at year end 2020, no Group loans were due.

### 3.5 Equity capital

#### Composition of the share capital

As in the previous year, the share capital consists of 854,000 fully paid-in registered shares with a par value of CHF 1 per share. Each share entitles the holder to equal dividend and voting rights.

#### Significant shareholders (at least 3% of the share capital)

The following table shows the number of shares held by the most significant shareholders as well as their interest in percent:

Shareholder /shareholder group	31.12.2020		31.12.2019	
	Number of shares	Interest in %	Number of shares	Interest in %
Ghisalberti family	82,079	9.61	94,739	11.09
D. Specht and Family	56,417	6.61	62,045	7.27
Groupama Asset Management	43,726	5.12	43,726	5.12
Allianz Group	42,697	5.00	42,697	5.00
Stiftung Erlebnispark Fördertechnik GmbH	34,275	4.01	36,275	4.25
Invesco LTD*	–	0.00	30,065	3.52
Various other shareholders	594,806	69.65	544,453	63.75
<b>Total</b>	<b>854,000</b>	<b>100.00</b>	<b>854,000</b>	<b>100.00</b>

\* No interest of at least 3% of the share capital

### 3.6 Contingent liabilities

Interroll Holding AG guarantees the joint use of existing credit facilities by Interroll (Schweiz) AG up to a maximum of CHF 42 million (2019: CHF 42 million). The credit facility was not utilized on December 31, 2020.

In addition, Interroll Holding AG issued letters of continuing financial support in favor of the following Group companies:

Country	Company
Germany	Interroll Automation GmbH, Sinsheim (DE)
France	Interroll SAS, La Roche-sur-Yon (FR)
Switzerland	Interroll (Schweiz) AG, Sant'Antonino (CH)

In the year under review and the previous year, there were no retention guarantees in favor of customers of Interroll Holding AG. Interroll Holding AG carries joint liability with respect to the federal tax authorities for value-added tax debts of all Swiss subsidiaries.

## 4 OTHER DISCLOSURES ACCORDING TO SWISS LAW

### 4.1 Full-time positions

There are no full-time employees at Interroll Holding AG.

### 4.2 Remuneration of and shares held by the Board of Directors and Group Management

The remuneration of the members of the Board of Directors and Group Management and the shares and options held by the members of the Board of Directors at year end are disclosed in the remuneration report in accordance with VegüV and Art. 663c, Swiss Code of Obligations (see remuneration report, pp 59–67).

### 4.3 Shares held by Group Management

	Shares as at 31.12.	
	2020	2019
Paul Zumbühl	22,453	21,966
Richard Keely	105	87
Dr. Christoph Reinkemeier*	–	740
Heinz Hössli**	–	–
Maurizio Catino**	–	–
Jens Strüwing	37	5
Dr. Ben Xia	682	598
Jens Karolyi	152	144
Total	23,429	23,540

\* Left Group Management during financial year 2020

\*\* Joined Group Management during financial year 2020

## 5 PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

### Appropriation of available earnings

The Board of Directors proposes to the Annual General Meeting of May 7, 2021 the appropriation of the available earnings as at the end of the 2020 reporting year as follows:

in CHF thousands	2020	2019
Result	1,911	2,224
Available earnings carried forward from previous year	124,561	141,171
	<b>126,472</b>	<b>143,395</b>
Distribution of a dividend of	23,058	18,834
To be carried forward	103,414	124,561
	<b>126,472</b>	<b>143,395</b>

### Proposed dividend payment

The Board of Directors proposes to the Annual General Meeting to pay a dividend of CHF 27.00 per share. A maximum total of CHF 23.1 million would be distributed. In the previous year, a dividend in the amount of CHF 22.50 per share or a maximum of CHF 19.2 million was approved. If this year's dividend proposal is approved, the respective payment will be processed in the second quarter of 2021.



## REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF INTERROLL HOLDING AG, SANT'ANTONINO

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Interroll Holding AG, which comprise the balance sheet as at December 31, 2020, the income statement and the notes for the year then ended, including a summary of significant accounting policies.

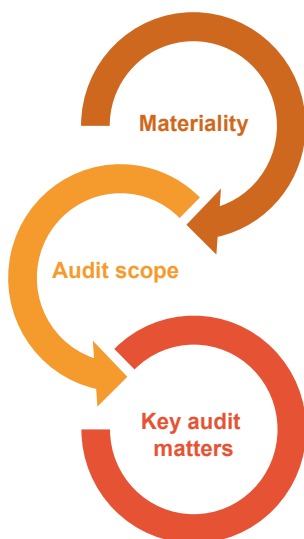
In our opinion, the financial statements (pages 122 to 127) as at December 31, 2020 comply with Swiss law and the company's articles of incorporation.

#### 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



Overall materiality: CHF 600,000

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.

As key audit matter the following area of focus has been identified:  
Impairment testing of Group assets (investments in subsidiaries and short- and long-term loans granted to subsidiaries)



### 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 600,000
<b>How we determined it</b>	0.5% of total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because the company primarily holds equity investments in and grants loans to subsidiaries.

We agreed with the Audit Committee that we would report to them misstatements above CHF 30,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### 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.

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

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

**Impairment testing of Group assets (investments in subsidiaries and short- and long-term loans granted to subsidiaries)****Key audit matter**

We consider impairment testing of Group assets to be a key audit matter because of their significance on the balance sheet. Investments in subsidiaries amount to CHF 114.8 million (94% of total assets) and loans to subsidiaries amount to CHF 4.7 million (3.9% of total assets).

Please refer to note 3.2 (Investments) and note 3.3 (Loans to subsidiaries) in “General information on the financial statements” in the notes to the financial statements of Interroll Holding AG.

**How our audit addressed the key audit matter**

Management carried out impairment tests on all investments in subsidiaries. We performed the following audit procedures:

Firstly, we discussed with management whether any indications of impairment were identified in relation to an investment.

Subsequently, for a sample of selected investments, we verified the factors used to calculate potential impairment and reperformed the calculation.

Management assessed individually the recoverability of short- and long-term loans granted to subsidiaries as well as investments, except where the standalone financial statements prepared in accordance with IFRS or an impairment test showed that these were confirmed by positive equity. We discussed in detail with Management their assessment and reperformed it, and we checked the outlook based on the budget approved by the Board of Directors for plausibility.

Based on the audit procedures described above, we addressed the risk of an incorrect valuation of the investments in subsidiaries and loans to subsidiaries. We have no findings to 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.

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

**Report on other legal and regulatory requirements**

In accordance with article 728a 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



Gerhard Siegrist  
Audit expert  
Auditor in charge



Regina Spälti  
Audit expert

Zurich, March 12, 2021