

Notes to the 2020 financial statements of Komax Holding AG

1 Principles

1.1 General

These annual financial statements were drawn up according to the provisions of Swiss accounting law (Section 32 of the Swiss Code of Obligations). The key valuation principles applied other than those prescribed by law are described below. Here it should be remembered that use has been made of the option to create and release hidden reserves for the purpose of securing the company's lasting prosperity.

As Komax Holding AG draws up a set of consolidated financial statements in line with a recognized accounting standard (Swiss GAAP FER), it has elected not to include in these financial statements – in keeping with statutory guidelines – explanatory notes on interest-bearing liabilities and audit fees, as well as the presentation of a cash flow statement.

1.2 Financial investments

Financial investments comprise non-current financial loans. Granted loans are valued at the respective balance sheet date, whereby unrealized losses are accounted for but unrealized gains are not (impairity principle).

1.3 Investments

Investments are initially recognized at cost. The valuation of investments is reviewed annually on an individual basis and if necessary adjusted to a lower recoverable amount.

1.4 Treasury shares

Treasury shares are recorded at the time they are acquired as minus items in shareholders' equity, at acquisition cost. In the event of a later resale, the profit or loss is recognized in the income statement as financial income or financial expense.

1.5 Share-based compensation

If treasury shares are used for the share-based compensation of Board members, the difference between the acquisition cost and the actual payment to Board members when the shares are allocated is booked to compensation.

2 Information on balance sheet and income statement positions

2.1 Assets

Other current receivables from Group companies decreased by a total of CHF 1.4 million. This balance sheet item contains open interest receivables in respect of subsidiary companies.

The Group's current financial loans decreased by a total of CHF 38.6 million. This balance sheet item likewise encompasses the current account loan of Komax Holding AG to Komax AG, Switzerland.

Financial investments Group comprise non-current financial loans and participation loans. The Group's financial investments have increased as a result of regrouping current financial loans and newly granted loans.

2.2 Liabilities

The "Current interest-bearing liabilities third parties" and "Current interest-bearing liabilities Group" items comprise current financial loans reported by subsidiary companies and banks.

The provisions relate to taxes on earnings and capital taxes as well as open tax claims in respect of corporation tax to be paid on the holdings in Germany.

Komax Holding AG and a syndicate of banks led by Credit Suisse have a valid credit agreement for a credit limit of CHF 160.0 million. The credit agreement is valid until 31 January 2023. The credit line provides the Group with the necessary entrepreneurial flexibility, guarantees the financing of commercial operations, and ensures the continued implementation of corporate strategy. As at 31 December 2020, the Group had drawn on this credit limit to the amount of CHF 88.0 million, USD 5.0 million, and EUR 10.0 million (total drawing: CHF 103.4 million).

In accordance with the applicable capital contribution principle, capital contributions (share premiums) made after 31 December 1996 are disclosed in the separate equity item "Statutory capital reserves". Repayments to shareholders from this account are treated in the same way as the repayment of nominal capital and are not subject to withholding tax.

2.3 Income

Dividend income amounted to CHF 23.8 million in the year under review (2019: CHF 40.4 million).

Other financial income contains interest income on granted loans as well as realized and unrealized exchange rate gains on cash and cash equivalents, and loans in foreign currency.

Other operating income comprises billed amounts for holding fees and licenses, as well as incidental revenues of third parties and the Group.

2.4 Expenses

The “Financial expenses” item comprises, among other things, interest expenses and commissions, securities losses, and unrealized and realized exchange rate losses on cash and cash equivalents, and loans in foreign currency.

Compensation comprises compensation paid to the Board of Directors.

The “Other operating expenses” item includes patents and license costs, advisory and legal expenses, investor relations expenses, representation expenses, insurance premiums, and other operating expenditure items.

Direct taxes contain expenses for taxes on earnings and corporation tax.

3 Company and legal form, registered office

Company: Komax Holding AG
 Legal form: Aktiengesellschaft (company limited by shares)
 Registered office: Dierikon, Canton Lucerne, Switzerland

4 Full-time employees

Komax Holding AG does not have any employees.

5 Participations

The direct and indirect participations of Komax Holding AG are set out in the consolidated financial statements on pages 116 and 117.

6 Treasury shares

Details of the treasury shares of Komax Holding AG are provided in the consolidated financial statements on page 110.

7 Contingent liabilities

in TCHF	31.12.2020	31.12.2019
Joint liability for Group taxation value-added tax	p.m.	p.m.
Guarantees		
in EUR	5 707	1 288
in USD	75	291
Total	5 782	1 579

From the total contingent liabilities of CHF 5.8 million (31 December 2019: CHF 1.6 million), CHF 5.7 million (31 December 2019: CHF 1.3 million) are contingent liabilities in favor of subsidiaries.

8 Major shareholders

As at 31 December 2020 and 31 December 2019, the company had no major shareholders holding more than 5% of the votes.

9 Externally regulated capital requirements (covenants)

The Group's financial liabilities are generally subject to the following externally regulated capital requirement (covenant) as per the syndicated loan agreement:

The debt factor may not exceed 3.25 either at 31 December 2019 or thereafter at each quarter-end balance sheet date.

This parameter was adjusted owing to the development of business. Measurement of the debt factor is being suspended from 30 June 2020 to 30 June 2021. In place of the debt factor, a defined minimum EBITDA must be achieved during this period.

The Komax Group complied with those requirements as at 31 December 2020. Within the scope of the syndicated loan agreement, Komax Holding AG guarantees the liabilities of any member of the Komax Group.

10 Holdings of shares

Assets in units		31.12.2020	31.12.2019
		Shares	Shares
Board of Directors			
Beat Kälin	Chairman	10 316	9 972
David Dean	Member	1 300	1 128
Andreas Häberli	Member	331	188
Kurt Haerri	Member	3 130	2 987
Mariel Hoch	Member	143	0
Roland Siegwart	Member	2 271	2 128
Total Board of Directors		17 491	16 403
Executive Committee			
Matijas Meyer	CEO	4 397	4 000
Andreas Wolfisberg	CFO	673	500
Jürgen Hohnhaus ¹	Executive Vice President	0	n.a.
Tobias Rölz ²	Executive Vice President	0	n.a.
Marc Schürmann	Executive Vice President	319	200
Marcus Setterberg	Executive Vice President	256	137
Günther Silberbauer ³	Executive Vice President	n.a.	0
Total Executive Committee		5 645	4 837

¹ Member of the Executive Committee since 1 January 2020.

² Member of the Executive Committee since 1 July 2020.

³ Member of the Executive Committee until 31 December 2019.

11 Net release of hidden reserves

The total amount of the net released hidden reserves amounted to CHF 0.0 million (2019: CHF 0.0 million).