

**Allegion (Ireland) Finance Designated Activity Company**

**Directors' Report and Financial Statements  
Financial year ended 31 December 2021**

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## DIRECTORS AND OTHER INFORMATION

### BOARD OF DIRECTORS

Paul O'Loughlin  
Thomas Martineau  
David Carrick (resigned on 6 October 2021)  
Conor Burbridge (appointed on 6 October 2021)

### SECRETARY

Paul O'Loughlin (resigned on 6 October 2021)  
Paula Cassidy (appointed on 6 October 2021)

### REGISTERED OFFICE

Block D  
Iveagh Court  
Harcourt Road  
Dublin 2  
D02 VH94  
Ireland

### REGISTERED NUMBER

582665

### SOLICITORS

Arthur Cox LLP  
Ten Earlsfort Terrace  
Dublin 2  
D02 T380  
Ireland

### PRINCIPAL BANKERS

Citibank Europe PLC Ireland Branch  
1 North Wall Quay  
North Dock  
Dublin 1  
Ireland

### AUDITORS

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for Allegion (Ireland) Finance Designated Activity Company (the, "Company") for the year ended 31 December 2021.

### PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The Company's principal activity is to provide financing to subsidiaries of Allegion plc (the "Allegion group"). The proceeds from the issuances outlined below along with the interest income generated from its loan receivable portfolio are used to provide financing to entities within the Allegion group.

- In November 2019, the Company issued a fixed rate note due 2029 with an aggregate principal of \$3,586.2 million ("Note A-1") and a variable rate note due 2024 with an aggregate principal of \$797.6 million ("Note A-2").
- In July 2020, the Company issued a fixed rate note due 2032 with an aggregate principal of \$958.5 million ("Note B").
- In August 2020, the Company issued a fixed rate note due 2025 with an aggregate principal of €127.6 million ("Note E-1") and a fixed rate note due 2025 with an aggregate principal of €110.9 million ("Note E-2").

The Company collectively refers to the issuances as (the, "Notes") and all Notes are listed on The International Stock Exchange ("TISE"). The directors do not expect that the Company's principal activity will change in the foreseeable future.

### RESULTS FOR THE YEAR AND STATE OF AFFAIRS

The profit and loss account and the balance sheet are set out on pages 13 and 14 respectively. The Company recorded a profit of \$13.2 million for the financial year ended 31 December 2021 (2020: \$7.9 million).

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties identified by the Company are as follows:

#### ***Our ability to generate sufficient cash to service our debt***

The Company is dependent on principal and interest payments from its loan receivable portfolio to pay or discharge its debt as it falls due on the Notes.

#### ***Our ability to manage the impact of movements in variable rates***

The Company's interest rate risk relates to its ability to manage the impact of variable rates on its profit for the financial year. The date that variable rates reset on the Company's loan receivables differs from its Note A-2. If variable rates fluctuate in the future, the Company's profit for the financial year could increase/decrease.

Additionally, the regulator that oversees the London Interbank Offered Rate ("LIBOR") has announced that USD LIBOR will cease publication after 30 June 2023. The Company plans on utilising the Bloomberg Short Term Bank Yield Index ("BSBY") as its benchmark rate on any future variable rate loan receivables entered into with entities within the Allegion group. At 31 December 2021, the Company had a principal balance of \$778.4 million outstanding on its loan receivables and \$797.6 million outstanding on its Note A-2 with USD LIBOR as the underlying benchmark rate. While we do not currently anticipate the transition from USD LIBOR and the risks thereto to have a material adverse effect on us, it remains uncertain at this time. The directors do not expect the Company's principal risks and uncertainties to change in the foreseeable future.

### ACCOUNTING RECORDS

The measures taken by the directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Block D, Iveagh Court, Harcourt Road, Dublin 2, D02 VH94, Ireland.

### DIRECTORS AND SECRETARY INTERESTS

The directors, secretary and their immediate families held no interest in the share capital of the Company at 31 December 2021 or 2020. At year end and during the financial year, certain directors held interests in the share capital of the ultimate parent company, Allegion plc; however, these interests in aggregate do not represent more than 1% in nominal value of Allegion plc's issued share capital, and are therefore not disclosed in accordance with Section 260 of the Companies Act 2014 (the, "2014 Act").

## **DIRECTORS' REPORT**

### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors in office at the date of this report have each confirmed that:

- As far as he is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

### **AUDIT AND FINANCE COMMITTEE**

In accordance with the requirements of Section 167 of the 2014 Act, the directors confirm that they have decided not to establish an Audit and Finance Committee. Having considered the requirements of Section 167 the directors note that the terms of reference and the role and powers of the Audit and Finance Committee of the Board of the Company's immediate and ultimate parent, Allegion plc include within their scope the powers and responsibilities that would otherwise be required of an Audit and Finance Committee established for the company pursuant to Section 167. Therefore the directors have resolved that, in view of the foregoing, the establishment of an Audit and Finance Committee for the Company would be superfluous and would unnecessarily duplicate the functions of the Audit and Finance Committee of Allegion plc.

### **POLITICAL DONATIONS**

No political donations have been made by the Company during the year (2020: \$nil).

### **DIVIDENDS**

No dividends were paid or proposed during the year (2020: \$nil).

### **IMPORTANT EVENTS SINCE YEAR END**

On 15 April 2022, the Company entered into a new interest bearing loan facility agreement of \$800.0 million with Allegion plc. The initial drawdown of \$281.4 million by Allegion plc was used to repay interest of \$1.1 million and principal of \$280.3 million outstanding under its existing interest bearing loan facility agreement with the Company. On the same day, the Company transferred the remaining principal of \$365.5 million outstanding under its existing interest bearing loan facility agreement with Allegion plc to a fellow group undertaking as consideration for the interest outstanding on the Notes. As of 29 June 2022, Allegion plc had drawn down \$316.4 million of the available facility agreement.

On 20 May 2022, the Company entered into an additional borrower agreement with Allegion plc, Allegion US Holding Company Inc. and Bank of America, N.A., pursuant to which the Company would become an additional borrower under the 2021 Credit Agreement entered into by Allegion plc on 18 November 2021. As of 29 June 2022, the Company had approved a drawdown of the revolving facility under the 2021 Credit Agreement. The drawdown is expected to be circa. \$100 million and will be used to fund other entities within the Allegion group.

There have been no further important events since the year end which require disclosure in the financial statements.

### **GOING CONCERN**

The directors, having regard to the continued support of the Company's immediate and ultimate parent, Allegion plc, have a reasonable expectation that the company will have adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. In arriving at this conclusion, the directors have also considered the uncertainties impacting the Company. These uncertainties include, but are not limited to, the ability to generate sufficient cash to service its debt. The Company is dependent on principal and interest payments from its loans to group undertakings to pay or discharge its own debt as it falls due on the Notes.

The directors believe that these uncertainties would not have a material impact on our ability to continue as a going concern as of the approval date. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

## DIRECTORS' REPORT

### DIRECTORS' COMPLIANCE STATEMENT

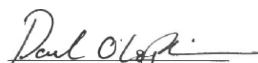
It is the policy of the Company to comply with its “relevant obligations” (as defined in the 2014 Act). The directors have drawn up a compliance policy statement as defined in section 225(3)(a) of the 2014 Act. Arrangements and structures have been put in place by the Company’s immediate and ultimate parent, Allegion plc in respect of all of its relevant subsidiaries that are, in the directors’ opinion, designed to secure material compliance with the Company’s relevant obligations. These arrangements and structures were reviewed during the financial year and the directors consider these arrangements and structures to be appropriate.

As required by Section 225(2) of the 2014 Act, the directors acknowledge that they are responsible for the Company’s compliance with the relevant obligations. In discharging their responsibilities under Section 225, the directors relied on the advice both of persons employed by Allegion plc and of persons retained by the Company under contract, who they understand have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

### AUDITORS

The Auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the board meeting approving these audited financial statements.

On behalf of the directors



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Paul O'Loughlin  
Director



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Conor Burbridge  
Director

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## ***Independent auditors' report to the members of Allegion (Ireland) Finance Designated Activity Company***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Allegion (Ireland) Finance Designated Activity Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheet as at 31 December 2021;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

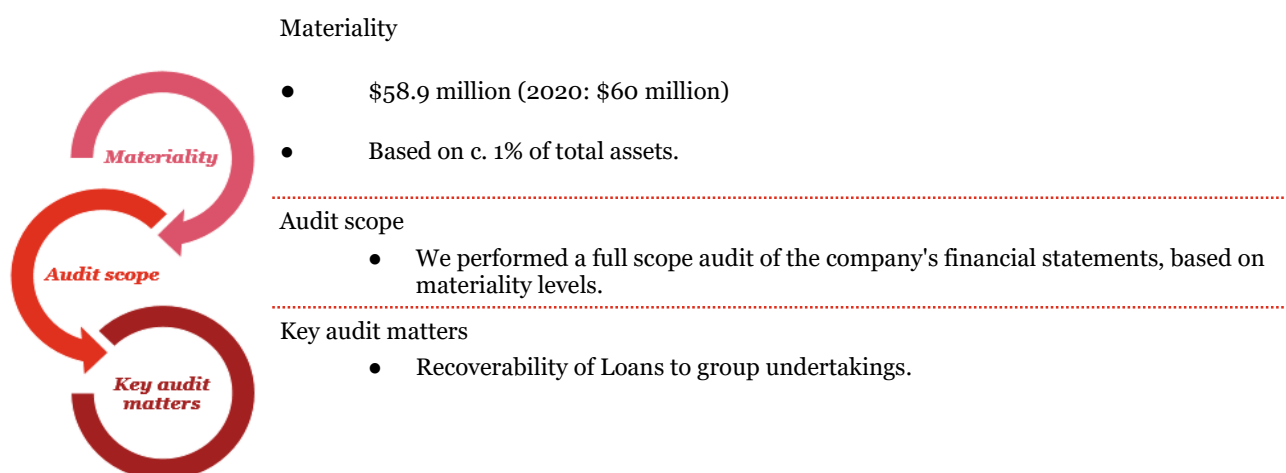
#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



## Our audit approach

### Overview



### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, 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 evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverability of Loans to group undertakings</b></p> <p>Refer to Note 1 (Significant accounting policies), Note 3 (Critical accounting estimates and judgements), Note 4 (Financial risk management), Note 11 (Financial assets) and Note 12 (Debtors) to the financial statements.</p> <p>The company acts as a finance company for the Allegion plc group and holds a portfolio of intercompany loans.</p> <p>We determined the recoverability of loans to group undertakings to be a key audit matter as loans to other companies in the Allegion plc group are material and the consideration of impairment indicators requires judgement and estimation by management.</p>	<p>We obtained intercompany agreements and confirmed the amount of the loans to group undertakings included in the company's records with the amounts recorded by fellow group undertakings to test the existence of the financial assets and the accuracy of the positions recorded.</p> <p>We considered whether there were any impairment indicators, including assessing the ability of the fellow group undertakings to meet payments falling due to the company.</p> <p>We also discussed with management their approach to credit and liquidity risk management including their assessment of the debt servicing capacity of the fellow group undertakings.</p>



### *How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We performed a full scope audit of the company's financial statements, based on materiality levels.

### *Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	\$58.9 million (2020: \$60 million).
<b>How we determined it</b>	c. 1% of total assets.
<b>Rationale for benchmark applied</b>	Having considered the key users of the financial statements and the primary function of the company being to manage a portfolio of loans to group undertakings, we believe that total assets provides us with an appropriate basis for determining materiality.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$3 million (2020: \$3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Conclusions relating to going concern**

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- > Evaluating the key assumptions underpinning the company's forecasts;
- > Assessing management's sensitivities performed over the company's cash flow forecasts;
- > Obtaining the company's signed letter of support from the Directors of Allegion plc outlining its intention to support the company in a manner that will allow it to pay or discharge all its debts, other liabilities, obligations and expenses as they fall due from the date on which the financial statements are authorised for issue;
- > Assessing the Allegion plc group's ability to support the company for a period of 12 months from the date on which the financial statements are authorised for issue, including consideration of the group's current liquidity and financial condition position as at the Balance Sheet date;
- > Evaluating the appropriateness of the going concern disclosure in note 1 to the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

### *Auditors' 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 auditors' 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 ISAs (Ireland) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.



### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
  - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
  - The financial statements are in agreement with the accounting records.
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### **Other exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Alisa Hayden'.

Alisa Hayden  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
29 June 2022

**Allegion (Ireland) Finance Designated Activity Company**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2021**

<i>In millions (\$)</i>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Interest receivable and similar income	5	383.8	349.7
Interest payable and similar expenses	6	(370.7)	(341.0)
<b>Operating profit</b>		13.1	8.7
Administrative expenses		(0.2)	(0.2)
Other operating income/(expense)	7	1.1	(0.2)
<b>Profit before taxation</b>	8	14.0	8.3
Tax on profit	10	(0.8)	(0.4)
<b>Profit for the financial year</b>		13.2	7.9

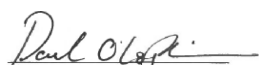
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2021**

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Profit for the financial year	13.2	7.9
<b>Total comprehensive income for the year</b>	13.2	7.9

**Allegion (Ireland) Finance Designated Activity Company**  
**BALANCE SHEET**  
**As at 31 December 2021**

<i>In millions (\$)</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Fixed assets</b>			
Financial assets	11	5,877.6	5,763.9
		5,877.6	5,763.9
<b>Current assets</b>			
Debtors	12	11.1	232.7
Cash at bank and in hand		7.2	17.5
		18.3	250.2
Creditors: amounts falling due within one year	13	(260.8)	(372.1)
<b>Net current liabilities</b>		(242.5)	(121.9)
<b>Total assets less current liabilities</b>		5,635.1	5,642.0
Creditors: amounts falling due after more than one year	13	(5,613.5)	(5,633.6)
<b>Net assets</b>		21.6	8.4
<b>Capital and reserves</b>			
Called up share capital presented as equity	14	—	—
Profit and loss account		21.6	8.4
<b>Equity shareholders' funds</b>		21.6	8.4

Approved by the directors on 29 June 2022 and signed on its behalf by:



Paul O'Loughlin  
Director



Conor Burbridge  
Director

**Allegion (Ireland) Finance Designated Activity Company**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2021**

<i>In millions (\$)</i>	Called up share capital presented as equity	Profit and loss Account	Total
<b>Balance at 1 January 2020</b>	—	0.5	0.5
Profit for the financial year	—	7.9	7.9
<b>Balance at 31 December 2020</b>	—	8.4	8.4
Profit for the financial year	—	13.2	13.2
<b>Balance at 31 December 2021</b>	—	21.6	21.6

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The Company's financial statements have been prepared on the going concern basis and in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland)' ("FRS 102") and the 2014 Act.

The financial statements of the Company present the profit and loss account and balance sheet on a stand-alone basis, including related party transactions. The financial statements have been prepared under the historical cost convention.

The Company is a qualifying entity for the purposes of FRS 102. Note 18 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with applicable Irish law and accounting principles generally accepted in the United States of America ("U.S. GAAP") as defined in Section 279 (1) of the 2014 Act, may be obtained.

As a qualifying entity the Company has availed of a number of exemptions from the disclosure requirements of FRS 102 in the preparation of the financial statements as follows:

- The requirements of section 7 and paragraph 3.17(d) to present a statement of cash flows; and
- The requirements of Section 33 related party disclosures paragraph 33.7 in relation to key management personnel compensation.

The remaining exemptions available for a qualifying entity have not been availed of as the Company's principal activity meets the definition of a financial institution under FRS 102 or they are not applicable to the Company at this time.

#### GOING CONCERN

At 31 December 2021 and 2020, the Company was in a Net current liabilities position of \$242.5 million and \$121.9 million, respectively, primarily due to the short term nature of its interest on amounts due to group undertakings, all of which, are within the Group's control. Since year end, the Company has settled all of its outstanding interest on amounts due to group undertakings at 31 December 2021. Refer to Note 17 for further details.

The directors, having regard to the continued support of the Company's immediate and ultimate parent, Allegion plc, have a reasonable expectation that the company will have adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. In arriving at this conclusion, the directors have also considered the uncertainties impacting the Company. These uncertainties include, but are not limited to, the ability to generate sufficient cash to service its debt. The Company is dependent on principal and interest payments from its loans to group undertakings to pay or discharge its own debt as it falls due on the Notes.

The directors believe that these uncertainties would not have a material impact on the Company's ability to continue as a going concern as of the approval date. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

#### FUNCTIONAL CURRENCY

The Company's functional and presentation currency is the US dollar, denominated by the symbol "\$". The financial statements have been presented in millions of US dollars (\$m) unless otherwise stated.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At the end of each financial year, foreign currency monetary items are translated to US dollars using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. The resulting exchange differences are dealt with in the profit and loss account.

#### TAXATION

Corporation tax is provided on taxable profits at the current rates enacted at the balance sheet date in Ireland.

Deferred taxation is accounted for in respect of all timing differences at tax rates enacted or substantially enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

#### CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.



## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### (i) Basic financial assets

Basic financial assets consist entirely of loans to group undertakings, other debtors and cash at bank and in hand. Loans to group undertakings are considered financing transactions and are initially measured at their transaction price, or if necessary, the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Loans to group undertakings are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting year, loans to group undertakings measured at amortised cost are assessed for objective evidence of impairment or uncollectability. If an asset is impaired, the impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Loans to group undertakings are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Other debtors and cash at bank and in hand are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method. The effective interest rate for other debtors and cash at bank and in hand is zero.

#### (ii) Basic financial liabilities

Basic financial liabilities consist entirely of amounts due to group undertakings and trade creditors. Amounts due to group undertakings are considered financing transactions and are initially measured at their transaction price, or if necessary, the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Amounts due to group undertakings are subsequently carried at amortised cost using the effective interest method and are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as Creditors: amounts falling due within one year if payment is expected within one year or less. If not, they are presented as Creditors: amounts falling due after more than one year. Trade creditors are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method. Trade creditors are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### (iii) Other financial liabilities

Derivative instruments relate entirely to forward contracts entered into to mitigate the foreign currency risk associated with the Company's loans to group undertakings that are held in a currency other than US dollar and are not considered basic financial instruments. The forward contracts entered into by the Company are generally short term in nature and mature within three months or less. They are initially recognised at their fair value on the date the contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss account.

### INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income comprises entirely of interest income earned on the loans to group undertakings and are recognised in the profit and loss account as it accrues using the effective interest rate method.

### INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses comprises entirely of interest expense incurred on amounts due to group undertakings and is recognised in the profit and loss account as it accrues using the effective interest rate method.

### CASH FLOW STATEMENT

The Company has not presented a separate cash flow statement as it has availed of the exemption available under FRS 102 section 1.12 (b). This exemption is available as 100% of the Company's voting rights are controlled within the Allegion group and the consolidated financial statements of Allegion plc (in which the Company is included) are publicly available.

## 2. HISTORY AND DESCRIPTION OF THE COMPANY

The Company was incorporated in Ireland on 17 May 2016. The Company is a wholly owned subsidiary of Allegion plc. The Company's principal activity is to provide financing to subsidiaries of the Allegion group. The Company's registered address is Block D, Iveagh Court, Harcourt Road, Dublin 2, D02 VH94, Ireland. The Company was registered in Ireland as a designated activity company under registration number 582665.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

### *Critical accounting estimates and judgements*

In the process of applying the Company's accounting policies, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements other than as stated below.

### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amount of profit for the financial year within the next financial year are outlined below:

#### **(i) Impairment of loans to group undertakings:**

At the end of each reporting year, loans to group undertakings measured at amortised cost are assessed for objective evidence of impairment or uncollectability by reviewing the quantitative and qualitative measures associated with the loans.

## 4. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, which include, market risk, credit risk and liquidity risk.

### **Market risk**

Market risk is defined as the exposure of the Company's financial position to movements in (i) interest rates and (ii) foreign exchange rates.

#### **(i) Interest rates:**

The following table outlines the fixed and variable interest rate split of loans to group undertakings and amounts due to group undertakings inclusive of interest accrued as at 31 December:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Loans to group undertakings - fixed	5,098.6	5,339.8
Loans to group undertakings - variable	790.0	656.8
<b>Total loans to group undertakings</b>	<b>5,888.6</b>	<b>5,996.6</b>
Amounts due to group undertakings - fixed	5,066.9	5,183.0
Amounts due to group undertakings - variable	807.2	822.1
<b>Total amounts due to group undertakings</b>	<b>5,874.1</b>	<b>6,005.1</b>

The Company's interest rate risk relates to its ability to manage the impact of variable rates on its profit for the financial year. The date that variable rates reset on the Company's loan receivables differs from its Note A-2. If variable rates fluctuate in the future, the Company's profit for the financial year could increase/decrease.

Additionally, the regulator that oversees the London Interbank Offered Rate ("LIBOR") has announced that USD LIBOR will cease publication after 30 June 2023. The Company plans on utilising the Bloomberg Short Term Bank Yield Index ("BSBY") as its benchmark rate on any future variable rate loan receivables entered into with related parties of the Allegion group. At 31 December 2021, the Company had a principal balance of \$787.4 million outstanding on its loan receivables and \$797.6 million outstanding on its Note A-2 with USD LIBOR as the underlying benchmark rate. While we do not currently anticipate the transition from USD LIBOR and the risks thereto to have a material adverse effect on us, it remains uncertain at this time.

The Company noted that an assumed 100 basis points (bps) strengthening/weakening of variable rates on the Company's loans to group undertakings and its Note A-2 would have potentially decreased/increased profit for the financial year ended 31 December 2021 by \$0.2 million (2020: \$1.3 million/\$2.4 million).

Future fluctuations in variable rates are not predictable or quantifiable. The Company understands the importance of continuing to monitor the impact fluctuations may have on its loan portfolio and its profit for the financial year. At 31 December 2021 and 2020, the Company had no profit and loss exposure to interest rate risk on its fixed rate loan receivables or payables given the contractual interest rates are fixed for the full term of the loans.

**4. FINANCIAL RISK MANAGEMENT (Continued)****(ii) Foreign currency:**

The Company's exposure to foreign currency arises mainly on the translation of its foreign currency denominated loan receivables or payables into US Dollar, which is the Company's functional currency. The Company manages the exposure by entering into foreign currency derivative instruments to mitigate the risk associated with holding loans to group undertakings denominated in a currency other than US Dollar. The foreign currency derivative instruments are measured at fair value, which is determined based on quoted market prices and represent level 2 inputs. The key assumptions used in valuing the derivatives are the related forward exchange rates at the end of the financial year.

At 31 December 2021, the Company had loans to group undertakings denominated in US Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Danish Krone ("DKK") and Great British Pound ("GBP") and amounts due to group undertakings denominated in USD and EUR. In 2020, the Company had loans to group undertakings denominated in USD, EUR, SGD and DKK and amounts due to group undertakings denominated in USD and EUR.

The following table outlines and splits the loans to group undertakings and amounts due to group undertakings inclusive of interest accrued by their denominated currency:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Loans to group undertakings - USD	5,618.2	5,711.1
Loans to group undertakings - EUR	264.8	284.5
Loans to group undertakings - SGD	1.2	0.7
Loans to group undertakings - DKK	0.3	0.3
Loans to group undertakings - GBP	4.1	—
<b>Total loans to group undertakings</b>	<b>5,888.6</b>	<b>5,996.6</b>
Amounts due to group undertakings - USD	5,592.2	5,707.5
Amounts due to group undertakings - EUR	281.9	297.6
<b>Total amounts due to group undertakings</b>	<b>5,874.1</b>	<b>6,005.1</b>

The Company also noted that an assumed 10% strengthening/weakening of each foreign currency on the loans to group undertakings and amounts due to group undertakings would have potentially decreased/increased the profit for the financial year ended 31 December 2021 by \$0.1 million (2020: \$1.2 million). Future fluctuations in foreign currency are not predictable or quantifiable. The Company understands the importance of continuing to monitor the impact fluctuations may have on its loan portfolio and its profit for the financial year.

**Credit risk**

The carrying amount of the Company's assets best represents its maximum exposure to credit risk. At 31 December, the carrying amount of total assets consisted of:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Loans to group undertakings (inclusive of interest accrued)	5,888.6	5,996.6
Other debtors	0.1	—
Cash at bank and in hand	7.2	17.5
<b>Total assets</b>	<b>5,895.9</b>	<b>6,014.1</b>

The majority of the Company's credit risk arises from its loans to group undertakings (inclusive of interest accrued). The Company does not expect any group undertaking to fail to meet its obligations and there have been no impairments attached to the loans to group undertakings for the years ended 31 December 2021 and 2020.

The Company also has procedures in place to minimise the risk of impairment through assessing the financial condition of group undertakings to ensure that safeguards are put in place, when required. On an on-going basis, the Company continues to monitor the financial conditions of the related group undertakings and manage safeguards, when required. The Company monitors the timing of cash flows to ensure proceeds from loans to group undertakings are available before any liabilities fall due. In relation to cash at bank and in hand, the Company has a policy of only engaging with investment grade banks.

**Liquidity risk**

The liquidity risk faced by the Company relates to the inability of related group undertakings to repay loans inclusive of interest accrued as they fall due. This will in turn impact the ability of the Company to repay the debt on the Notes as they fall due. In order to manage this risk, the Company monitors the cash flow requirements of the group. Where required, the Company can also avail of the continued support of its immediate and ultimate parent, Allegion plc.

**4. FINANCIAL RISK MANAGEMENT (Continued)**

The table below sets out the Company's amounts due to group undertakings into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed have been split between principal and interest and all amounts shown represent the undiscounted contractual cash flows based on the interest rates effective at the balance sheet date.

<i>In millions (\$)</i>	<b>Carrying amount</b>	<b>Contractual cash outflows</b>	<b>Within 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>After 5 years</b>
Interest on amounts due to group undertakings	260.6	3,176.3	364.9	365.9	1,074.9	1,370.6
Amounts due to group undertakings	5,613.5	5,613.5	—	—	1,068.8	4,544.7
<b>Total at 31 December 2021</b>	<b>5,874.1</b>	<b>8,789.8</b>	<b>364.9</b>	<b>365.9</b>	<b>2,143.7</b>	<b>5,915.3</b>

<i>In millions (\$)</i>	<b>Carrying amount</b>	<b>Contractual cash outflows</b>	<b>Within 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>After 5 years</b>
Interest on amounts due to group undertakings	371.5	3,681.6	477.7	372.9	1,124.0	1,707.0
Amounts due to group undertakings	5,633.6	5,633.6	—	—	1,088.9	4,544.7
<b>Total at 31 December 2020</b>	<b>6,005.1</b>	<b>9,315.2</b>	<b>477.7</b>	<b>372.9</b>	<b>2,212.9</b>	<b>6,251.7</b>

As of 31 December 2021, all amounts due to group undertakings disclosed by the Company where within their agreed payments terms and as a result not past due.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

For the year ended 31 December, Interest receivable and similar income consisted of:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Interest on loan to parent undertaking	7.9	12.9
Interest on loans to fellow group undertakings	375.9	336.8
<b>Total Interest receivable and similar income</b>	<b>383.8</b>	<b>349.7</b>

During the year ended 31 December 2021, the Company recorded interest income of \$383.8 million on loans to its parent and fellow group undertakings (2020: interest income of \$349.7 million).

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

For the year ended 31 December, Interest payable and similar expenses consisted of:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Interest on amounts due to group undertakings	370.7	341.0
<b>Total Interest payable and similar expenses</b>	<b>370.7</b>	<b>341.0</b>

During the year ended 31 December 2021, the Company recorded interest expense of \$370.7 million on the Notes listed on TISE (2020: interest expense of \$341.0 million).

**7. OTHER OPERATING INCOME/(EXPENSE)**

For the year ended 31 December, Other operating income/(expense) consisted of:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Foreign currency exchange gain/(loss)	1.1	(0.2)
<b>Total Other operating income/(expense)</b>	<b>1.1</b>	<b>(0.2)</b>

During the year ended 31 December 2021, the Company recorded a net realised gain on foreign currency derivative instruments of \$0.6 million (2020: net loss of \$0.1 million).

**8. PROFIT BEFORE TAXATION**

The following charges have been included within Profit before taxation:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
<b>Profit before taxation is stated after charging:</b>		
Auditor's remuneration	0.1	0.1

During the year ended 31 December 2021, the Company recorded auditor's remuneration (including expenses) of \$80,000 (2020: \$65,000) and relates to the audit of the entity financial statements only. No fees for other assurance engagements, tax advice or non audit services have been incurred in the year.

**9. EMPLOYEE COSTS**

During the year ended 31 December 2021 and 2020, there were no persons employed by the Company, including executive directors and the directors received no remuneration for their services to the Company. Since 2019, Allegion plc has seconded one employee to the Company. The costs associated with the seconded employee will be borne by Allegion plc.

**10. TAXATION****(a) Tax on profit:**

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Irish corporation tax on profit for the year	0.8	0.4
<b>Tax on profit</b>	<b>0.8</b>	<b>0.4</b>

**(b) Reconciliation of tax charge:**

The tax charge for the year differs from the tax calculated at the standard rate of Irish corporation tax (12.5%). The differences are explained below:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Profit before taxation	14.0	8.3
Profit multiplied by the Irish corporation tax rate for the year of 12.5%	1.8	1.0
<i>Effects of:</i>		
Group relief of management expenses	(1.0)	(0.6)
<b>Tax charge for the year</b>	<b>0.8</b>	<b>0.4</b>

**11. FINANCIAL ASSETS**

At 31 December, the Company's financial assets were comprised of:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
Loans to group undertakings	5,877.6	5,763.9
<b>Total financial assets</b>	<b>5,877.6</b>	<b>5,763.9</b>

The following table summarises the movement in loans to group undertakings (inclusive of short term loans to group undertakings as disclosed on Note 12) during the financial year:

<i>In millions (\$)</i>	<b>2021</b>	<b>2020</b>
At 1 January	5,765.3	4,389.6
Acquired during the year	—	1,239.3
Issued during the year	780.5	1,248.2
Refinanced during the year	(1.4)	(1,110.3)
Settled during the year	(647.3)	(1.5)
Currency translation	(18.7)	—
At 31 December	5,878.4	5,765.3
Long term - recorded in financial assets above	5,877.6	5,763.9
Short term - recorded in debtors per Note 12	0.8	1.4
At 31 December	5,878.4	5,765.3

## 11. FINANCIAL ASSETS (Continued)

At 31 December 2021, loans to group undertakings falling due after more than one year amounted to \$5,877.6 million and are unsecured and have interest rates ranging from 1.75% to 8.00%, resulting in a weighted average rate of 6.47% (2020: weighted average rate of 6.57%). During the financial year ended 31 December 2021 and 2020, the Company transferred, issued, refinanced and settled a number of loans. These loans were deemed to be transacted at a market rate of interest. All loans to group undertakings were interest bearing and were performing in accordance with their contractual conditions. No loans to group undertakings were impaired at 31 December 2021 or 2020.

## 12. DEBTORS

At 31 December, the Company's Debtors were comprised of:

<i>In millions (\$)</i>	2021	2020
Loans to group undertakings	0.8	1.4
Interest on loans to group undertakings	10.2	231.3
Other debtors	0.1	—
<b>Total Debtors</b>	<b>11.1</b>	<b>232.7</b>

At 31 December 2021, loans to group undertakings falling due within one year amounted to \$0.8 million and are unsecured and have interest rates ranging from 1.55% to 1.69%, resulting in a weighted average rate of 1.64% (2020: weighted average rate of 4.24%). Interest on loans to group undertakings are expected to be settled within the next 12 months. All loans to group undertakings were interest bearing and were performing in accordance with their contractual conditions.

No loans to group undertakings were impaired or past due at 31 December 2021.

## 13. CREDITORS

At 31 December, the Company's Creditors comprised of:

<i>In millions (\$)</i>	2021	2020
Interest on amounts due to group undertakings	260.6	371.5
Corporation tax payable	—	0.4
Derivative instruments	0.1	0.1
Trade creditors	0.1	0.1
<b>Total amounts falling due within one year</b>	<b>260.8</b>	<b>372.1</b>

Amounts due to group undertakings	5,613.5	5,633.6
<b>Total amounts falling due after more than one year</b>	<b>5,613.5</b>	<b>5,633.6</b>

At 31 December, the Company's amounts due to group undertakings were comprised of:

<i>In millions (\$)</i>	2021	2020
Fixed rate note due 2029 ("Note A-1")	3,586.2	3,586.2
Variable rate note due 2029 ("Note A-2")	797.6	797.6
Fixed rate note due 2032 ("Note B")	958.5	958.5
Fixed rate note due 2025 ("Note E-1")	145.1	155.8
Fixed rate note due 2025 ("Note E-2")	126.1	135.5
<b>Total amounts due to group undertakings</b>	<b>5,613.5</b>	<b>5,633.6</b>

At 31 December 2021, interest on amounts due to group undertakings of \$260.6 million related entirely to the Notes. The Notes were issued by the Company to a fellow group undertaking and are listed on the TISE (2020: \$371.5 million). At 31 December 2021, amounts due to group undertakings are unsecured, have interest rates ranging from 1.67% to 7.70%, resulting in a weighted average rate of 6.14% (2020: weighted average rate of 6.53%).

Trade creditors principally comprise amounts outstanding for day to day purchases and ongoing costs and are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms. The Company considers that the carrying amount of trade creditors approximates to their fair value.

### 13. CREDITORS (Continued)

The Company enters into foreign currency derivative instruments to mitigate the foreign currency risk associated with its loans to group undertakings. At 31 December 2021, the gross notional amount of the Company's foreign currency derivative instruments was \$9.0 million. In addition, at 31 December 2021 the Company had a nominal amount falling due within one year on the foreign currency derivative instruments amounting to \$0.1 million and are expected to mature within three months or less of the balance sheet date (2020: \$0.1 million).

### 14. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY

<i>In millions (\$)</i>	2021	2020
1,000,000 ordinary shares of \$1.00 par value	1.0	1.0
At 31 December	1.0	1.0
<b>Allotted, called up and fully paid - presented as equity: Ordinary shares of \$1.00 each</b>	<b>2021</b>	<b>2020</b>
At 31 December - 1 share	—	—

The 1 issued ordinary share of the Company is directly owned by Allegion plc, a company incorporated in Ireland. The Company considers its capital and reserves to comprise of called up share capital and its profit and loss account. Movements in called up share capital and the profit and loss account during the year are disclosed in the statement of changes in equity.

### 15. RELATED PARTY TRANSACTIONS

The Company is wholly owned within the Allegion plc group. Transactions with Allegion plc and with other wholly owned subsidiary companies of Allegion plc are not disclosed as the Company has taken advantage of the exemption available under FRS 102 Section 33.1A "Related Party Disclosures" from disclosing such transactions.

### 16. CONTINGENCIES AND COMMITMENTS

The Company had no capital commitments or operating lease commitments at the balance sheet date.

### 17. SUBSEQUENT EVENTS

On 15 April 2022, the Company entered into a new interest bearing loan facility agreement of \$800.0 million with Allegion plc. The initial drawdown of \$281.4 million by Allegion plc was used to repay interest of \$1.1 million and principal of \$280.3 million outstanding under its existing interest bearing loan facility agreement with the Company. On the same day, the Company transferred the remaining principal of \$365.5 million outstanding under its existing interest bearing loan facility agreement with Allegion plc to a fellow group undertaking as consideration for the interest outstanding on the Notes. As of 29 June 2022, Allegion plc had drawn down \$316.4 million of the available facility agreement.

On 20 May 2022, the Company entered into an additional borrower agreement with Allegion plc, Allegion US Holding Company Inc. and Bank of America, N.A., pursuant to which the Company would become an additional borrower under the 2021 Credit Agreement entered into by Allegion plc on 18 November 2021. As of 29 June 2022, the Company had approved a drawdown of the revolving facility under the 2021 Credit Agreement. The drawdown is expected to be circa. \$100 million and will be used to fund other entities within the Allegion group.

There have been no further subsequent events since the year end which require disclosure in the financial statements.

### 18. ULTIMATE HOLDING UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party and the largest group of undertakings for which group financial statements are drawn up and of which the Company is a wholly owned subsidiary is Allegion plc., a company incorporated in the Republic of Ireland and listed on the New York Stock Exchange. Copies of Allegion plc consolidated financial statements are available on the Allegion website at [www.allegion.com](http://www.allegion.com).

### 19. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 29 June 2022.