

Ina Invest Holding AG

Shareholder Information Brochure

ANNUAL GENERAL MEETING OF SHAREHOLDERS OF INA INVEST HOLDING AG

3 April 2024

Proposed Merger with Ina Invest AG

(Agenda Item 6)

26 February 2024



1 IMPORTANT INFORMATION

This information brochure has been prepared exclusively for the shareholders of Ina Invest Holding AG ("**Ina Holding**") in connection with the merger with Ina Invest AG ("**Ina Invest**") as proposed to the annual general meeting of shareholders to be held on April 3, 2024 (the "**General Meeting**"), agenda item 6.

This brochure is not an offer to sell or a solicitation of offers to purchase or subscribe for shares in Ina Holding nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on, in connection with any contract therefor. This brochure does not constitute a prospectus as defined in the Swiss Financial Services Act of June 15, 2018 ("**FinSA**") or a prospectus under the securities laws and regulations of the United States or any other laws. This brochure does not constitute a recommendation with respect to the shares of Ina Holding and does not provide a basis for decisions regarding investments in Ina Holding.

Holding and/or purchasing Ina Holding share entails risks. When voting on the proposed merger with Ina Invest, Ina Holding shareholders must rely on their own assessment of the risks and opportunities. For any questions concerning this decision, Ina Holding shareholders should seek their own advice from their investment advisor, legal advisor or tax advisor.

This brochure contains a summary of certain aspects of the proposed merger and does not purport to be complete. Ina Holding shareholders are urged to read the other documents mentioned or referred to in this brochure.

The information set out herein and in any related materials is subject to updating, completion, revision, verification and/or amendment. Neither Ina Holding nor any of its affiliates or directors and officers, executives, employees or advisers are under any obligation to update or keep current the information contained in this brochure or to correct any inaccuracies except to the extent it would be required under applicable law or regulation. Neither the U.S. Securities and Exchange Commission (the "**SEC**") nor any U.S. state securities commission has approved or disapproved the Ina Holding shares or passed comment or opinion upon the accuracy of this brochure. Any representation to the contrary is a criminal offense in the United States.

This brochure contains forward-looking statements which express intentions, estimates, expectations and forecasts relating to future financial, operational and other developments and results. Such statements and the underlying assumptions are subject to a variety of risks, uncertainties and other factors which could mean that the actual developments may significantly differ therefrom. Further, it should be noted that any market data and valuations, as well as past trends and performances, described in this brochure are no guarantee for the future development, performance or value of Ina Holding.

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The information contained in this brochure is accurate only as of the date of this brochure. Neither the delivery of this brochure nor any sale of the Ina Holding shares shall, under any circumstances, create any implication that there has been no change in the affairs of Ina Holding since the date hereof or that the information contained herein is correct as of any time after the date hereof.



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2 Letter from the Chairman of Ina Holding and Ina Invest

Dear Shareholders,

Ina Invest Holding has reached important milestones since the IPO in June 2020. We have driven forward and completed significant development projects. We now have a portfolio that is of the highest quality in terms of locations and the large proportion of residential properties. And last but not least, Ina Invest Holding is a leader in the real estate sector in terms of sustainability.

Another planned milestone was announced to you, our Shareholders, on February 27, 2024: Ina Invest Holding AG plans to simplify its corporate structure by merging with its subsidiary Ina Invest AG.

The Board of Directors of Ina Invest Holding and its management are convinced that the merger will benefit both the company and its Shareholders. Among other advantages, the simplification of the corporate structure will reduce complexity and facilitate transparent communication. In addition, the merger will lead to an increase in the market capitalization of Ina Invest Holding of around 40%, which will give the company greater weight on the capital market and is likely to attract greater interest.

For Shareholders of Ina Invest Holding, the proposed transaction will not result in any significant changes: Their participation in the combined company will remain substantially the same, while the remaining shares will be held by Implenia. The merger will have no impact on the strategic direction; Ina Invest Holding will continue to implement the successful strategy it has pursued to date. The Board of Directors, which has remained unchanged since the IPO, and the Executive Committee will remain the same as before the merger. The merger should not have income tax implications for Ina Invest Holding Shareholders resident in Switzerland.

For these reasons, the Board of Directors of Ina Invest Holding is proposing that Shareholders vote in favor of the proposed merger at the Annual General Meeting on April 3, 2024. In addition to the actual merger resolution, approval is required for a capital increase, whereby the newly created shares will be allocated to Implenia in exchange for its existing stake in Ina Invest, and for the necessary amendments to the Articles of Association. The merger requires the approval of two-thirds of the votes represented at the Annual General Meeting.

In this Shareholders' brochure, you will learn more about the opportunities of the merger and the process involved. We thank you for your trust and support on the path to a successful future for Ina Invest Holding.

Stefan Mächler

Chairman of the Board of Directors
of Ina Invest Holding AG and Ina Invest AG



3 Overview of the Proposed Transaction

What Does Ina Holding Want to Achieve

Ina Holding plans to simplify its corporate structure by merging with its subsidiary Ina Invest (merger by absorption, "*Absorptionsfusion*"). For details regarding the transaction structure and steps please see below section "*Overview of the Proposed Transaction – Implementation*").

The board of directors of Ina Holding (the "**Board of Directors**") and its management are convinced that the merger will benefit both the company and its shareholders for the following reasons:

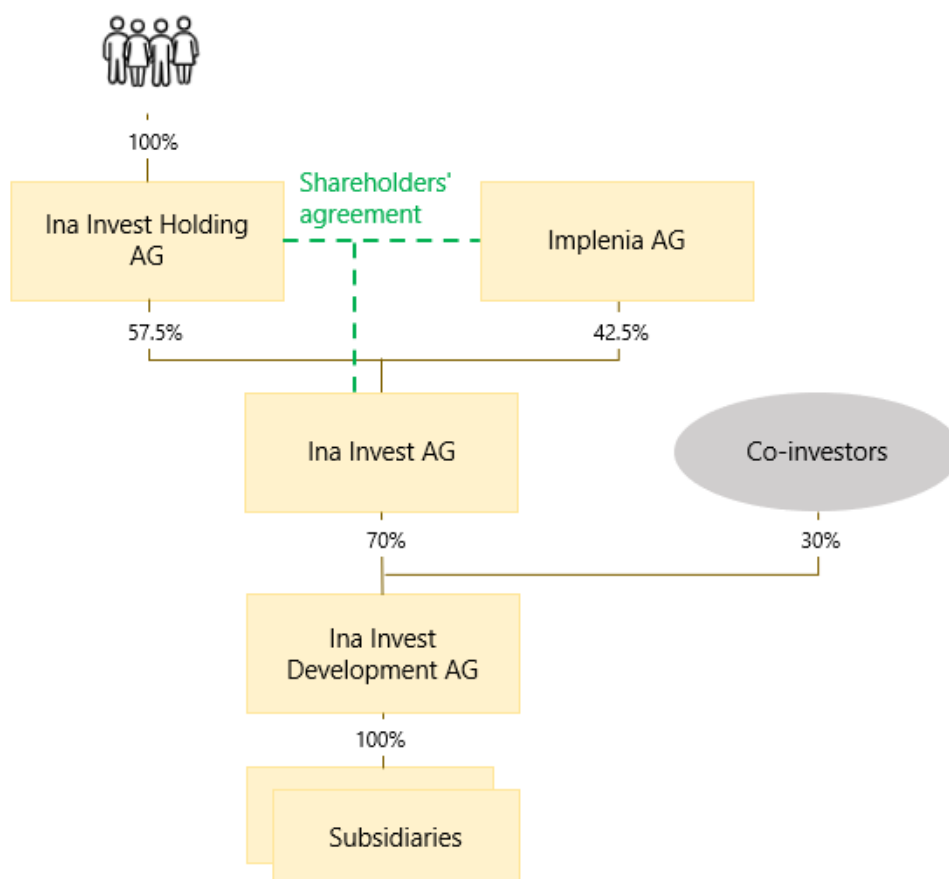
- **Simplification of group structure:** The current corporate structure is complicated (see the details below in section "*Overview of the Proposed Transaction – Implementation*") and therefore difficult to communicate. Simplifying the corporate structure reduces complexity and enables more transparent communication.
- **Cost savings:** The simplification of the structure reduces administrative expenses and thus leads to annual cost savings. Potential future capital market transactions would also be more cost-efficient (e.g., stamp duty, etc.).
- **Increased market capitalization:** The proposed merger will lead to an increase in the market capitalization of Ina Holding of around 40% to approximately CHF 295 million. This will give the company greater weight on the capital market and is likely to attract greater interest.
- **Listed operating company instead of holding function:** Ina Holding as the listed company and surviving company in the proposed merger would in the future have an operating activity and no longer merely a holding function. By having Ina Holding hold the real estate and development projects directly, investors will directly acquire shares in an operating company. This is generally preferred by investors. It is therefore to be expected that interest in Ina Holding and thus also trading activities in its shares will be positively impacted.
- **Increased transparency:** The elimination of the two-layered structure and the resulting reduction in complexity is expected to simplify transparent communication and financial reporting to shareholders.
- **Improved shareholder structure:** Due to the higher market capitalization and transparency, it is expected that Ina Holding will be able to address new groups of investors and attract new shareholders.



Implementation

Currently, Ina Invest AG is held by Ina Holding (57.5%) and Implen AG ("**Implenia**") (42.5%). There is a shareholders' agreement in place between Ina Holding, Implen AG and Ina Invest AG (the "**Shareholders' Agreement**") which governs certain important matters including, inter alia, (i) matters that require Implen AG's approval (veto rights); (ii) right of Implen AG to appoint members of the board of directors of Ina Invest AG; (iii) share transfer restrictions; and (iv) obligation of Ina Holding to exclusively carry out investment activities through Ina Invest AG.

The structure can be depicted as follows:



For the reasons outlined above (see section "*What does Ina Holding Want to Achieve*"), the Board of Directors proposes to merge Ina Invest AG into Ina Holding by way of absorption ("*Absorptionsfusion*"). To this end, the share capital of Ina Holding shall be increased, and such additional shares issued to Implen AG as a consideration for its participation in Ina Invest AG.

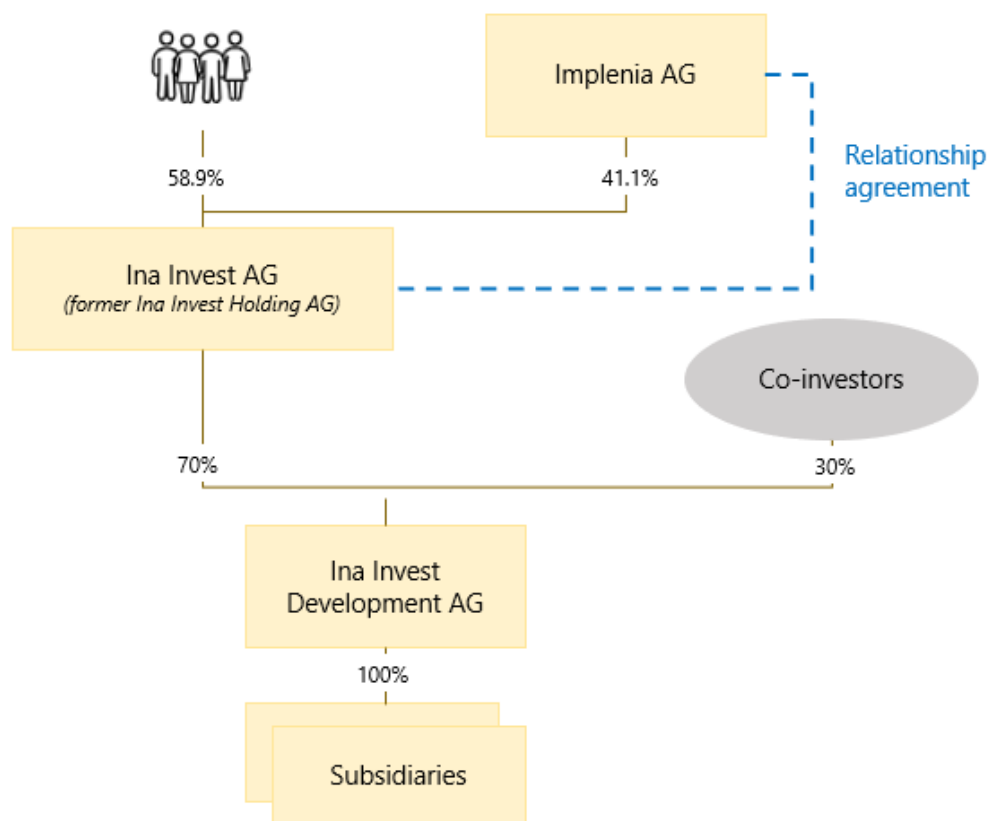
The exchange ratio determining the number of Ina Holding shares that Implen AG will receive in the planned merger was calculated based on Ina Holding's and Ina Invest's net asset values as per their consolidated balance sheets as of December 31, 2023 (applying a True & Fair View according to Swiss



GAAP FER), taking into account treasury shares held by Ina Holding, a loan repayment that will be waived by Implenia prior to implementation of the planned merger (treated as a contribution to Ina Invest's equity) as well as cash and debt of both companies. The application of such exchange ratio will lead to a participation of Implenia in Ina Holding of 41.1% after the planned merger.

The shareholders' agreement will be terminated, and instead, Ina Holding and Implenia are planning to enter into a relationship agreement (see section "*Description of Key Provisions of the Relationship Agreement*" for further details).

The structure after the proposed merger will look as follows:



In order for the transaction to be implemented, the following steps have to be taken:

- **Resolution of the General Meeting approving the merger and capital increase:** Ina Holding's shareholders will be asked to approve the merger, the capital increase and certain changes to the Articles of Association (each conditional upon the others) as proposed by the Board of Directors at the General Meeting (agenda item 6). The merger requires the approval



of two-thirds of the votes represented at the General Meeting. Furthermore, Ina Invest's shareholders will also have to approve the merger with a two-thirds majority, which will require Implenla's approval as Ina Invest's majority shareholder.

- **Resolution of the general meeting of shareholders of Ina Invest:** Ina Invest's general meeting of shareholders will also be asked and must approve the merger.
- **Implementation of the merger and capital increase:** After shareholder approval has been obtained, the Board of Directors will execute the merger and the capital increase and implement the resolved changes to the Articles of Association. As part of the capital increase, Implenla will receive shares of Ina Holding, amounting to 41.1% of Ina Holding's share capital after the capital increase. The newly issued shares will be listed on the SIX Swiss Exchange, and will be entitled to dividends as of their registration in the commercial register.
- **Entering into the Relationship Agreement:** With effect as of the completion of the merger and capital increase, Ina Holding and Implenla will enter into the Relationship Agreement (see also section "*Description of Key Terms of the Relationship Agreement*"). The Shareholders' Agreement will be terminated concurrently.

Indicative Timeline

The Board of Directors envisages the following timeline for the proposed transaction:¹

Expected date	Event
3 April 2024	Annual General Meeting of Ina Holding AG
4 April 2024	<ul style="list-style-type: none">• Implementation and effective date of merger and capital increase• First day of trading of newly issued Ina Holding shares• Effective date of Relationship Agreement

What Changes for Ina Holding Shareholders

For shareholders of Ina Holding, the proposed transaction will not lead to any significant changes:

- **Substantially same participation in Ina's business:** Shareholders of Ina Holding indirectly hold a participation of 57.5% in Ina Invest Ltd., which conducts all relevant business activities of Ina Holding (see section "*Ina Holding Following Approval and Implementation of the Proposed Merger*"). After implementation of the proposed merger and capital increase, shareholders of Ina Holding will hold a participation of 58.9% in the business, which will then be integrated into Ina Holding and held directly by Ina Holding's shareholders instead of indirectly. The change from 57.5% to 58.9% is due to treasury shares held by Ina Holding, a

¹

The indicative timeline is subject to change. Ina Holding will give timely notice of any changes.



loan repayment that will be waived by Implenla prior to implementation of the planned merger (treated as a contribution to Ina Invest's equity), as well as cash and debt adjustments at the level of both companies.

- **Substantially similar Board nomination rights of Implenla:** Simultaneously with the proposed merger and capital increase, Ina Holding's Articles of Association will be amended to include nomination rights of Implenla for up to two members of the Board of Directors (see section "*Changes in the Articles of Association*"). Currently, Implenla has the right to appoint up to two members of the board of directors of Ina Invest Ltd. under the Shareholders' Agreement. Therefore, Implenla's board member nomination rights and influence on the business of Ina Invest Ltd. will be substantially similar. In addition, the Relationship Agreement to be newly concluded between Ina Holding and Implenla will ensure that Ina Holding's Board of Directors cannot be controlled by Implenla (see section "*Description of Key Provisions of the Relationship Agreement*").
- **Same Board of Directors:** Despite the nomination rights of Implenla on the level of Ina Holding after the implementation of the proposed merger and changes to the Articles of Association, the Board of Directors will (subject to the proposed members' election by the General Meeting) stay the same as before the merger (see section "*Board of Directors and Management*").
- **Similar influence of Implenla on operational and business matters:** Currently, under the shareholders' agreement, certain matters require approval of Implenla or one of its representatives on the board of directors of Ina Invest. Similarly, under the Relationship Agreement and the future organizational regulations of Ina Holding, there will be certain limited important matters which require the approval of a two-thirds majority of the Board of Directors of Ina Holding.



4 Ina Holding Following Approval and Implementation of the Proposed Merger

Overview

The Group's business activities comprise developing and building of real estate and construction projects of all kinds, planning and completion of new buildings and conversions of real estate held by Ina Invest, as well as holding, managing, renting and brokering of real estate.

Unchanged Strategy

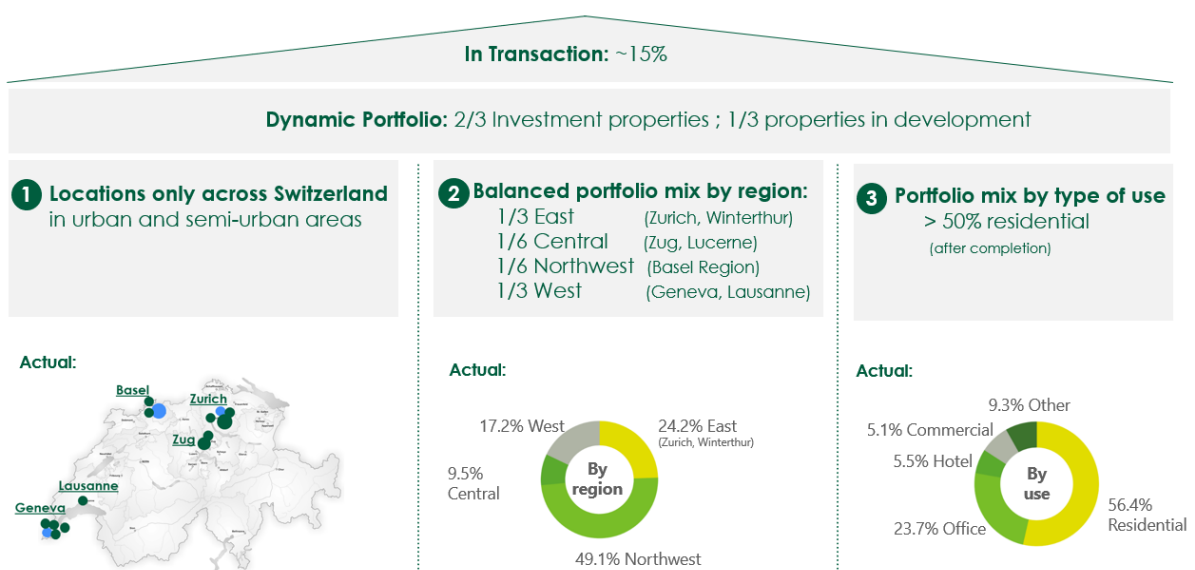
Ina Invest, which was created as a spin-off from Implenia, is an independent Swiss real estate company that develops sustainable spaces to live, work and relax in, with a focus on hybrid real estate that ensures long-term flexibility of use and profitability.

Ina Invest now has one of the largest and most high-potential development portfolios on the Swiss market. The properties are situated in high-quality locations and can be used in a variety of ways.

Through its close partnership with Implenia, Ina Invest benefits from all the expertise of Switzerland's leading construction services company. This enables us to apply our symbiotic business model effectively across the entire real estate value chain and thus maintain a lean, scalable set-up.

Ina Invest plans to keep on investing and growing while maintaining an above-average development ratio and at least 50% residential space in its portfolio. Ina Invest achieves the highest sustainability standards by taking a holistic approach to sustainability across all parts of the value chain.

Business-/ Investment- / Portfolio Strategy





The merger has no direct impact on this strategy; Ina Holding will continue the same strategy that has been pursued by Ina Invest.

Board of Directors and Executive Committee of Ina Holding

The board of directors of Ina Holding and Ina Invest are identical since the IPO in June 2020 with Stefan Mächler as Chairman, Christoph Caviezel as Vice-Chairman as well as Marie-Noëlle Zen-Ruffinen, Hans Ulrich Meister, and André Wyss as members. Hans Ulrich Meister and André Wyss are representatives of Implenla.

After the proposed merger, the composition of the Board of Directors shall not change. Hans Ulrich Meister and André Wyss shall be the candidates nominated by Implenla for the Board of Directors. Please see sections 3.1 and 3.2 of the Corporate Governance Report (i.e., pages 18 ff. of the Annual Report 2023) for more details on the members of the Board of Directors. The Executive Committee ("**Executive Committee**") of Ina Holding, consisting of the CEO, Marc Pointet, and the CFO, Daniel Baumann, shall also not change after the proposed merger. Please see sections 4.1 and 4.2 of the Corporate Governance Report (i.e., pages 34 ff. of the Annual Report 2023) for more details on the Executive Committee.

None of the members of the Board of Directors and of the Executive Committee is or has during the past five years been subject to any convictions for finance or business-related crimes or to legal proceedings (excluding traffic violations) by statutory or regulatory authorities (including designated professional associations) that are ongoing or have been concluded with a sanction.

Key Changes in the Articles of Association

The proposed merger will require a few amendments of Ina Holding's articles of association (the "**Articles**"):

- **Name change:** After the proposed merger, Ina Invest Holding Ltd. will be renamed to Ina Invest Ltd. (Ina Invest AG, Ina Invest SA).
- **Purpose:** Since Ina Holding will no longer conduct its business activities indirectly via subsidiaries, but Ina Invest AG and all its operations will be merged into Ina Holding, this must be reflected in the Articles.
- **Adjustment of the capital band:** At the annual general meeting of Ina Holding 2023, a capital band was introduced, authorizing the Board of Directors to increase Ina Holding's share capital by up to 30% of the existing share capital during three years as of the general meeting. Due to the capital increase which will be required to create the new shares in connection with the planned merger, this capital band would lapse. In order to maintain the previously approved capital band in the amount of up to 30% of the share capital, a new shareholders' resolution and a respective amendment of the Articles is required. Only the amounts and the duration of the capital band will be adjusted in art. 3a of the Articles, whereas all other terms (including pre-emptive rights of the shareholders) remain the same.



- **Board nomination right for Implenia:** In order to preserve Implenia's nomination right (which it currently has under the Shareholders' Agreement with respect to Ina Invest AG), such nomination right for up to two members of the Board of Directors of the merged Ina Holding will be reflected in the Articles. In particular, for as long as Implenia holds at least 10% of the share capital, it shall have the right to nominate one member to Ina Holding's Board of Directors ("**Implenia Nominated Director**"). If Implenia holds at least 20% of the share capital, it shall have the right to nominate two members to the Board of Directors. Implenia shall only nominate candidates which, as determined by the Nomination Committee of Ina Holding's Board of Directors, have the necessary skills, expertise and reputation for such a mandate. The chair of the Board of Directors shall not be an Implenia Nominated Director.
- **Selective opting up for Implenia:** The current Articles contain an opting up to 40% of the voting rights, which means that a shareholder only has a duty to make a tender offer for all listed shares in accordance with art. 135 FinMIA if it holds more than 40% of the voting rights of Ina Holding. In order to preserve Implenia's shareholding in Ina Invest AG of up to 42.5%, an additional selective opting up for Implenia shall be introduced into the Articles, such that Implenia will have a duty to make a public tender offer if it exceeds the threshold of 42.5% of all voting rights of Ina Holding.

In addition, certain editorial changes to the Articles are required to comprehensively implement the above amendments. The detailed changes are included in Annex 1 to this shareholder information brochure.

Description of Key Provisions of Relationship Agreement with Implenia

It is planned that Ina Holding and Implenia will enter into a relationship agreement which will enter into force as of the effectiveness of the merger (the "**Relationship Agreement**") and govern the strategic support by Implenia, the compliance with organizational regulations of Ina Holding (the "**Organizational Regulations**"), as well as the process for the nomination of members of the Board of Directors by Implenia, and restrict the information flow from Ina Holding and/or the nominated directors to Implenia to compliance purposes only.

With respect to the composition of the Board of Directors, the Relationship Agreement provides certain voting restrictions and undertakings for Implenia:

- While there is at least one Implenia Nominated Director, Implenia shall not propose and vote for the appointment of a candidate for the Board of Directors (in addition to the Implenia Nominated Director(s)) who is a current employee of Implenia or former employee of Implenia whose employment relationship has terminated less than five years before the date of the electing General Meeting, unless that individual candidate is proposed by the Board of Directors to the General Meeting; and
- Implenia undertakes to exercise its voting rights in such a way that the chairperson of the Board of Directors is independent from Implenia, unless (i) the chairperson of the Board of Directors is unable to continue as chairperson for whatever reason; and (ii) an Implenia



Nominated Director is proposed by the Board of Directors to the General Meeting and such proposal is supported by two-thirds of the members of the Board of Directors who are not Implenia Nominated Directors.

In addition, the Relationship Agreement will foresee certain limited important matters which require the approval of a two-thirds majority of the Board of Directors of Ina Holding.

The Relationship Agreement will terminate (i) automatically upon Implenia holding less than 10% of Ina Holding's shares and (ii) by mutual agreement of the parties in writing.

Listing and Trading of New Ina Holding Shares

The new Ina Holding shares will be listed on the SIX Swiss Exchange under the symbol "INA". Application has been made and approval has been given by SIX Exchange Regulation Ltd., subject to certain conditions, to list all new Ina Holding shares on the SIX Swiss Exchange in accordance with the Standard for Real Estate Companies.

Ina Holding expects that the new shares issued in the capital increase to effect the proposed merger will be listed, and that trading in the shares will commence, on or around April 4, 2024 under the ticker symbol "INA". The ticker symbol, Swiss Security Number, International Security Identification Number and trading currency of the new shares are as follows:

Swiss Security Number (<i>Valorennummer</i>):	52402695
International Security Identification Number (ISIN):	CH0524026959
The ticker symbol for the Shares:	INA
Trading currency:	CHF



5 Overview of Tax Implications of the Proposed Transaction

The following information gives an overview of the Swiss tax implications of the merger of Ina Invest into Ina Holding. The information is general in nature and not comprehensive and only takes account of Swiss tax legislation. Shareholders of Ina Holding should inform themselves with regard to their personal tax situation and the tax implications of the merger, and should consult their tax, legal, and/or financial advisors. Tax rulings with respect to the proposed transaction have been obtained from the Swiss Federal Tax Administration, the Zurich and Geneva cantonal tax authority confirming the following tax implications:

The merger should not have income tax or corporate income tax implications on the level of the Swiss resident shareholders of Ina Holding (irrespective whether shares are held as business assets and/or private assets).

The proposed merger shall be done at tax book value for Swiss tax purposes and thus it generally qualifies as a tax neutral transfer for Ina Invest and Ina Invest Holding.

The proposed merger is partially an upstream and partially a parallel entity merger for tax purposes. It does not result in a withholding tax burden for Ina Invest and Ina Holding and new capital contribution reserves in the lower amount of (a) the merger gain and (b) the existing capital contribution reserves and share capital of Ina Invest allocable to Implenla can be reflected at Ina Holding. Such capital contribution reserves can generally be repaid (within in the limitations for Swiss listed companies for tax purposes) without withholding tax and are exempt from personal income tax for Swiss resident shareholders holding the shares as private assets. If a dividend is paid out of reserves from capital contributions, it is required to simultaneously pay a dividend out of profit or reserves (other than reserves from capital contributions) of at least the same amount.

The envisaged execution of the proposed merger should not attract any Swiss stamp duties.



6 Certain Financial Information

Please see below the "pro forma" consolidated balance sheet for the year ended December 31, 2023, (including comparative figures for 2022), showing the financial position of Ina Holding had the proposed merger already been completed.

Consolidated balance sheet - Pro-Forma (IIHO/IIAG merged)

	Reported figures		"Pro forma" figures	
in CHF thousands	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Assets				
Cash and cash equivalents	8'415	12'597	8'415	12'597
Trade accounts receivable	3'466	807	3'466	807
Other current receivables	5'686	8'856	5'686	8'856
Promotional properties	21'738	21'229	21'738	21'229
Investment properties held for sale	13'719	-	13'719	-
Accrued income and prepaid expenses	877	5'776	877	5'776
Total current assets	53'901	49'265	53'901	49'265
Investment properties	773'532	786'404	773'532	786'404
Tangible fixed assets	1'691	75	1'691	75
Intangible assets	22'110	21'691	22'110	21'691
Other non-current receivables	4'440	2'847	4'440	2'847
Total non-current assets	801'773	811'017	801'773	811'017
Total assets	855'674	860'282	855'674	860'282
Liabilities and equity				
Current financial liabilities	317'861	307'283	317'861	307'283
Trade accounts payable	5'620	2'478	5'620	2'478
Advance payments from buyers	4'220	-	4'220	-
Other current liabilities	1'500	3'448	1'500	3'448
Accrued expenses and deferred income	5'962	5'964	5'962	5'964
Total current liabilities	335'163	319'173	335'163	319'173
Non-current financial liabilities	17'747	35'821	17'747	35'821
Deferred tax liabilities	80'620	85'850	80'620	85'850
Other non-current liabilities	8'042	8'682	8'042	8'682
Total non-current liabilities	106'409	130'353	106'409	130'353
Total liabilities	441'572	449'526	441'572	449'526
Share capital	293	293	293	293
Capital reserves ¹⁾	210'597	208'953	356'362	341'249
Treasury shares	(185)	(185)	(185)	(185)
Retained earnings ²⁾	12'246	17'734	22'282	31'974
Equity attributable to shareholders of Ina Invest Holding	222'951	226'795	378'752	373'331
Minority interests ³⁾	191'151	183'961	35'350	37'425
Total equity	414'102	410'756	414'102	410'756
Total liabilities and equity	855'674	860'282	855'674	860'282

**Notes:**

- ¹⁾ Increase in capital reserves because the portion attributable to the former minority shareholder of Ina Invest was allocated to the shareholders of the merged entity (Ina Holding / Ina Invest).
- ²⁾ Increase in retained earnings because the portion attributable to the former minority shareholder of Ina Invest was allocated to the shareholders of the merged entity (Ina Holding / Ina Invest).
- ³⁾ Decrease in minority interests because the share of the former minority shareholder of Ina Invest was transferred to the equity attributable to the shareholders of the merged entity (Ina Holding / Ina Invest).



Please see below the "pro forma" consolidated income statement for the financial year 2023, showing the results of operations of Ina Holding had the proposed merger already been completed.

Consolidated income statement - Pro-Forma (IIHO/IIAG merged)

in CHF thousands	Reported figures		"Pro forma" figures	
	01.01. - 31.12.2023	01.01. - 31.12.2022	01.01. - 31.12.2023	01.01. - 31.12.2022
Rental income from properties	15'168	11'304	15'168	11'304
Income from the sale of promotional properties	-	4'908	-	4'908
Other direct operating income	4'795	1'973	4'795	1'973
Operating income	19'963	18'185	19'963	18'185
Gains from change in fair value of investment properties	4'300	23'793	4'300	23'793
Losses from change in fair value of investment properties	(20'606)	(10'956)	(20'606)	(10'956)
Result from change in fair value of investment properties	(16'306)	12'837	(16'306)	12'837
Result from disposal of investment properties	215	727	215	727
Direct rental expenses	(2'726)	(1'908)	(2'726)	(1'908)
Direct expenses from the sale of promotional properties	-	(3'645)	-	(3'645)
Other direct operating expenses	(3'012)	(2'747)	(3'012)	(2'747)
Direct operating expenses	(5'738)	(8'300)	(5'738)	(8'300)
Personnel expenses	(3'282)	(3'145)	(3'282)	(3'145)
Other operating expenses	(3'637)	(4'163)	(3'637)	(4'163)
Other operating expenses	(6'919)	(7'308)	(6'919)	(7'308)
Operating result (EBIT)	(8'785)	16'141	(8'785)	16'141
Financial income	2	8'509	2	8'509
Financial expenses	(7'541)	(3'313)	(7'541)	(3'313)
Earnings before income taxes	(16'324)	21'337	(16'324)	21'337
Income taxes	5'079	(2'253)	5'079	(2'253)
Profit / (loss) ¹⁾	(11'245)	19'084	(11'245)	19'084
- attributable to the shareholders of Ina Invest Holding Ltd	(5'488)	9'551	(9'692)	16'370
- attributable to minorities	(5'757)	9'533	(1'553)	2'714
Earnings per share (EPS) (in CHF) ²⁾	(0.56)	0.98	(0.58)	0.99
Diluted earnings per share (in CHF) ²⁾	(0.56)	0.98	(0.58)	0.99

Notes:

¹⁾ The portion of profit / (loss) attributable to the shareholders of Ina Holding increases as part of the merger since former minority shareholders of Ina Invest are becoming shareholders of the merged entity (Ina Holding / Ina Invest). Accordingly, the portion attributable to minorities decreases.

²⁾ The EPS calculated on the consolidated pro-forma income of the merged entity (Ina Holding. / Ina Invest) differs slightly from the EPS calculated on the consolidated income of Ina Holding. The change in EPS is due to the fact that the denominator (number of shares after the merger) was calculated on the basis of equity, which was influenced by profits / (losses) since the establishment of Ina Holding in 2020, while the numerator (profit / (loss) attributable to the shareholders of the merged entity (Ina Holding / Ina Invest) only relates to the respective reporting period.



As of the date hereof, Ina Holding is not aware of any pending or impending court, arbitration or administrative proceedings which are of material importance to its assets and liabilities or profits and losses.

No material changes in the assets and liabilities, financial position and results of operations of Ina Holding have occurred since December 31, 2023. Please refer to Ina Holding's Annual Report 2023 for further details.



7 Q&A

Why are Ina Holding and its subsidiary Ina Invest planning to merge?

The Board of Directors and Executive Committee of Ina Holding are convinced that the merger will benefit both the company and its shareholders. In particular, the simplification of the corporate structure reduces complexity and improves transparent communication. Moreover, the simplification of the structure is expected to reduce the administrative expenses and thus to lead to annual cost savings. By holding real estate and development projects directly after the planned merger, Ina Holding's investors will hold shares of an operative company, which is generally preferred by investors. We therefore expect that the interest in Ina Holding in the financial markets and therefore trading activities in its shares will increase in the medium term, further enhancing liquidity of Ina Holding's shares.

For more details, please see section "*Overview of the Proposed Transaction – What Does Ina Holding Want to Achieve?*" above.

What are the specific benefits of the proposed merger for the existing shareholders of Ina Holding?

After the proposed merger, the public shareholders and Implenia will directly hold all shares in the merged and listed company, which will at the same time be the operating entity instead of merely a holding company. The proposed merger of Ina Invest and Ina Holding will lead to an increase in the market capitalization of Ina Holding of around 40% to approximately CHF 295 million. It is expected that the proposed merger will also increase the trading activity in the share over the medium term, from which shareholders will benefit.

The simplification of the company structure and the resulting reduction in complexity facilitate transparent communication and financial reporting. Furthermore, Ina Holding will be able to attract new groups of investors due to its higher market capitalization, direct operating activities and greater transparency in financial communication. This will also have a beneficial effect on shareholders, as it is expected that the demand for the shares will increase over time.

Does the proposed merger bring any substantial changes for Ina Holding shareholders?

The proposed transaction will not lead to any significant changes for existing Ina Holding shareholders.

Currently, the shareholders of Ina Holding indirectly hold a participation of 57.5% in Ina Invest Ltd., which conducts all relevant business activities of Ina Holding. After implementation of the proposed merger and capital increase, shareholders of Ina Holding will hold a participation of 58.9% in the business, which will then be held directly by Ina Holding's shareholders instead of indirectly. The change from 57.5% to 58.9% is due to treasury shares held by Ina Holding, a loan repayment that will be waived by Implenia prior to implementation of the planned merger (treated as a contribution to Ina Invest's equity), as well as cash and debt adjustments at the level of both companies.



There will also be certain changes in Ina Holding's Articles, including nomination rights of Implenia for up to two members of the Board of Directors, which are substantially the same as already exist today with respect to Ina Invest. The Board of Directors will (subject to the proposed members' election by the General Meeting) stay the same as before the merger.

For further information, please refer to section "*Overview of the Proposed Transaction – What Changes for Ina Holding Shareholders*".

How does the shareholder structure change with the implementation of the proposed merger?

The proposed merger of Ina Holding and Ina Invest will result in a change in the shareholder structure. For its current participation in Ina Invest, Implenia will be compensated with shares in Ina Holding to be newly issued and will thus become a new shareholder of Ina Holding. The existing shareholders of Ina Holding will continue to hold shares in the merged company.

For further information on this topic, please refer to section "*Overview of the Proposed Transaction – Implementation*".

As a result of the proposed merger, Implenia will become a significant shareholder in the merged company. What does this mean for existing shareholders?

Implenia has always had a significant influence on the business in the past. Ina Holding and Ina Invest were created as part of a spin-off of the real estate activities from Implenia. Implenia is currently a significant minority shareholder of Ina Invest, holding 42.5% of its shares. Furthermore, Ina Holding and Implenia concluded a shareholders' agreement which, among other things, defines the composition of the Board of Directors and certain veto rights of Implenia on the level of Ina Invest. With the proposed merger, the shareholder's agreement will be terminated and Implenia will receive similar rights with respect to its shareholding in Ina Holding.

Having Implenia as a major shareholder will be a benefit for the merged company and its shareholders. Implenia is a shareholder with extensive knowledge of the industry and years of experience in the construction business, which will be an advantage for the resulting merged entity which will conduct the main operational activities.

Why will Implenia receive a right to nominate members of the Board of Directors of Ina Holding?

Ina Holding and Ina Invest were founded in the course of a spin-off from Implenia. After the spin-off, Implenia remained a significant minority shareholder in Ina Invest with a participation of 42.5%. In addition, Implenia and Ina Holding entered into a shareholders' agreement that defines the composition of the board of directors of Ina Invest and grants Implenia a nomination right for up to two members of the board of directors of Ina Invest.

With the implementation of the proposed merger, this shareholders' agreement will be terminated. Implenia's right to nominate members of the Board of Directors of Ina Holding - one member if Implenia holds at least 10% of the share capital and two members if Implenia holds at least 20% of the



share capital - reflects the same rights as already applicable with respect to Ina Invest under the shareholders' agreement. Further, the proposed provision in the Articles of Ina Holding (in combination with the Relationship Agreement to be concluded) limits Implenia's nomination rights to no more than two members of the Board of Directors of Ina Holding.

It is common practice for the largest shareholders to appoint their representatives to the board of directors of a company. In addition, the Nomination Committee of the Board of Directors of Ina Holding must approve the proposed candidates, who have to fulfil certain criteria in order to become members of the Board of Directors. This ensures that the governance of Ina Holding meets best practice requirements.

For further information, please refer to section "*Overview of the Proposed Transaction –What Changes for Ina Holding Shareholders*".

Is the chairmanship of the Board of Directors of Ina Holding also reserved for a representative of Implenia?

No, the proposed provision in the Articles regarding Implenia's nomination right for board members in the future merged company states that the chairman may not be a person nominated by Implenia.

Why should the threshold for the obligation for Implenia to submit a public purchase offer be raised to 42.5% in the Articles of Ina Holding (selective opting up)?

As a result of the exchange of Implenia's current shares in Ina Invest for shares in Ina Holding on the basis of the respective net asset value (NAV), it is expected that Implenia's stake in the merged company will exceed 40%. Without implementing a selective opting-up-clause in the Articles, Implenia would be required to submit a public tender offer, which would be contrary to the purpose of the merger.

However, if Implenia sells its stake to a third party, the general statutory limit of 40% applies to the third party, which must then submit a public tender offer.

What is the Relationship Agreement and what purpose does it have?

The Relationship Agreement is an agreement to be concluded by Implenia and Ina Holding and will enter into force as of the effectiveness of the proposed merger.

The Relationship Agreement will govern the strategic support for Ina Holding by Implenia, the compliance with the organizational regulations of Ina Holding, as well as the nomination process of the Board of Directors of Ina Holding. It further contains certain voting restrictions and undertakings for Implenia. The Agreement regulates, for example, the requirements for individuals who may be nominated by Implenia as members of the Board of Directors of the merged company and certain obligations of Implenia in connection with the exercise of voting rights. In addition, the Relationship Agreement will foresee that certain limited important decisions of the Board of Directors will require a two-thirds majority.



For further information on the Relationship Agreement, please refer to section "*Ina Holding Following Approval and Implementation of the Proposed Merger – Description of Key Provisions of Relationship Agreement with Implenla*".

What changes will be made to the Articles in connection with the proposed merger?

In the course of the proposed merger, the existing Articles of Ina Holding will be amended.

The key changes include a name change of Ina Invest Holding AG to Ina Invest AG and a change of the company purpose since the merged company will become an operating company instead of merely a holding company. Furthermore, a nomination right for members of the Board of Directors of the merged company will be added in the Articles as well as a selective opting up clause in favor of Implenla.

For further information about the specific changes in the Articles, please refer to section "*Ina Holding Following Approval and Implementation of the Proposed Merger – Key Changes in the Articles of Association*", as well as to Annex 1 – "*Detailed Changes to the Articles of Association*".

Can existing Ina Holding shareholders participate in the proposed capital increase and subscribe to new shares?

As all shares to be issued in the course of the proposed capital increase will be transferred to Implenla as compensation for its Ina Invest shares, existing shareholders of Ina Holding will not have the opportunity to subscribe for new shares of Ina Holding.

What changes can be expected on Ina Holding's Board of Directors and Executive Committee?

The proposed merger of Ina Holding with Ina Invest will not result in any changes on the Board of Directors or the Executive Committee of Ina Holding. Therefore, the current composition of the Board of Directors and the Executive Committee of Ina Holding remains the same after the merger (subject to approval of the proposed candidates by the General Meeting of shareholders on April 3, 2024).

For further information on the members of the Board of Directors and the Executive Committee, please refer to section "*Ina Holding Following Approval and Implementation of the Proposed Merger – Board of Directors and Executive Committee of Ina Holding*".

Will the company's current strategy change after the proposed merger?

Since Ina Holding together with its subsidiaries always had a successful strategy in the past, there will be no changes in the strategy after the proposed merger.

For further information about the strategy of Ina Holding so far, please refer to "*Ina Holding Following Approval and Implementation of the Proposed Merger – Unchanged Strategy*".



After the proposed merger, the Board of Directors and Executive Committee of Ina Holding will be responsible for a larger company. Will, therefore, their salary packages increase?

No, the compensation structure for the Board of Directors and Executive Committee will remain unchanged. Also, the merger per se does not change the responsibilities of either the members of the Board of Directors or of the Executive Committee.

Will there be any tax consequences resulting from the proposed merger?

The proposed merger is executed using the current tax book value for Swiss tax purposes and thus it generally qualifies as a tax neutral transfer for both Ina Invest and Ina Invest Holding.

The merger should not have income tax or corporate income tax implications on the level of the Swiss resident shareholders of Ina Holding (irrespective whether shares are held as business assets and/or private assets). Shareholders of Ina Holding should inform themselves with regard to their personal tax situation and the tax implications of the merger, and should consult their tax, legal, and/or financial advisors.

For further information about the tax consequences, please refer to the section "*Overview of Tax Implications of the Proposed Transaction*".

When will the proposed merger be implemented if it is approved?

If the shareholders approve the merger at the General Meeting of Ina Holding on April 3, 2024, the merger will be executed shortly thereafter by registering the transaction in the commercial register – and it will be effective retrospectively as of January 1, 2024.

What name will the merged company have?

Subject to shareholder approval, the merged company will be called Ina Invest AG (Ina Invest Ltd, Ina Invest SA).

Which resolutions are required for the merger to take place?

In addition to the merger resolution, the shareholders must also approve the capital increase and the necessary amendments to the Articles at the General Meeting of Ina Holding on April 3, 2024. Furthermore, the merger must also be approved by the annual general meeting of Ina Invest (in which Implenia holds a stake) on April 3, 2024.

For further information about the steps to be taken, please refer to the section "*Overview of the Proposed Transaction – Indicative Timeline*".

Where can I find further information about the proposed merger?

For further information about the proposed merger and for contact details of the persons responsible in case of questions regarding the proposed merger, please refer to "*Contact Information*".



8 Contact Information

For further information about the proposed merger, Ina Holding or Ina Invest, please refer to:

Information on the Annual General Meeting	www.ina-invest.com/en/investors/annual-general-meeting
General information on Ina Holding for investors	www.ina-invest.com/en/investors/facts-and-figures
Ina Holding financial reports	www.ina-invest.com/en/investors/financial-reports-publications/financial-publications-downloads
Ina Holding e-mail distribution list	www.ina-invest.com/en/media/news-service
Ina Holding corporate calendar:	www.ina-invest.com/en/investors/agenda

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Copies of this brochure, any amendments thereto, the articles of association of Ina Holding and of the invitation to the General Meeting are available free of charge on the website of Ina Holding (www.ina-invest.com).



Annex 1 – Detailed Changes to Articles of Association

Below is a comparison of the current Articles with the proposed version of the Articles. Deletions are shown in red strikethrough font and new additions are shown in blue font. Only those provisions which are changed are shown below.

Please note that the German version of the Articles is the only authoritative version of the Articles, and the English version is a non-binding, indicative translation of the German original only. For the proposed, authoritative changes to the German version of the Articles, please refer to the invitation to the Annual General Meeting (German version).

	Current version of the Articles	Proposed changes to the Articles
Name, seat, duration	Article 1 Under the name of Ina Invest Holding AG (Ina Invest Holding SA) (Ina Invest Holding Ltd.) a corporation limited by shares is established for an unlimited duration, having its registered seat in Opfikon (ZH).	Article 1 Under the name of Ina Invest Holding AG (Ina Invest Holding SA) (Ina Invest Holding Ltd.) a corporation limited by shares is established for an unlimited duration, having its registered seat in Opfikon (ZH).
Purpose	Article 2 ¹ The purpose of the company is to hold a minority interest in Ina Invest AG, CHE-345.725.727. This company in turn invests in development properties and construction projects as well as in investment properties. ² The company may engage in all commercial, financial and other transactions and take all measures which may be suitable to directly or indirectly promote the corporate purpose and that of Ina Invest AG, or which are directly or indirectly related thereto. The company may also invest directly or through controlled companies in development properties and construction projects as well as in income-producing real estate.	Article 2 ¹ The purpose of the company is to hold a minority interest in Ina Invest AG, CHE-345.725.727. This company in turn invests in development properties develop and realize real estate and construction projects of all types and to use, plan and execute new constructions and conversions of properties held by the company as well as in investment properties to hold, manage, lease and act as a broker of properties. ² The company may establish branches and subsidiaries in Switzerland and abroad and acquire interest in other companies in Switzerland and abroad. The company may acquire, hold, manage, utilize and sell real estate and intellectual property rights in Switzerland and abroad. The company may engage in all commercial, financial and other transactions and take all measures which may be suitable to directly or indirectly promote the corporate purpose



		and that of Ina Invest AG, or which are directly or indirectly related thereto. The company may also invest directly or through controlled companies in development properties and construction projects as well as in income-producing real estate.
	³ In pursuing its corporate purpose, the company strives to create long-term, sustainable value.	³ In pursuing its corporate purpose, the company strives to create long-term, sustainable value.
Share capital	Article 3 The share capital of the corporation is CHF 292,596.48 divided into 9,753,216 registered shares with a nominal value of CHF 0.03 each. The share capital is fully paid up.	Article 3 The share capital of the corporation is CHF 292,596.48 496'843.62 divided into 9,753,216 16'561'454 registered shares with a nominal value of CHF 0.03 each. The share capital is fully paid up.
Capital band	Article 3a ¹ The board of directors is authorized anytime until 29 March 2026 to increase the share capital from CHF 292,596.48 to up to CHF 380,375.40 by issuing up to 2,925,964 fully paid-up registered shares with a nominal value of CHF 0.03 each. Capital increases in partial amounts are allowed. [Paras. 2-3 are unchanged]	Article 3a ¹ The board of directors is authorized anytime until 29 March 2026 3 April 2027 to increase the share capital from CHF 292,596.48 496'843.62 to up to CHF 380,375.40 645'896.70 by issuing up to 2,925,964 4'968'436 fully paid-up registered shares with a nominal value of CHF 0.03 each. Capital increases in partial amounts are allowed. [Paras. 2-3 are unchanged]
Share register, nominees	Article 5 [Paras. 1-3 are unchanged] ⁴ Acquirers of registered shares are registered in the share register with the right to vote upon request if: a) [lit. a is unchanged] b) the recognition of an acquirer as a shareholder does not hinder or risk hindering the corporation and/or its subsidiaries, according to the information available to the corporation, from providing the legally required evidence about the composition of its shareholder body and/or beneficial	Article 5 [Paras. 1-3 are unchanged] ⁴ Acquirers of registered shares are registered in the share register with the right to vote upon request if: a) [lit. a is unchanged] b) the recognition of an acquirer as a shareholder does not hinder or risk hindering the corporation and/or its subsidiaries, according to the information available to the corporation, from providing the legally required evidence about the composition of its shareholder body



Important
resolutions

owners. In connection with the project development and real estate business run through the corporation's subsidiaries, the corporation is specifically entitled to refuse to register persons abroad (pursuant to Federal Law of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad, BewG), if such registration could raise any doubt about the Swiss control of the corporation and/or its subsidiaries.

[Paras. 5-7 are unchanged]

Article 16

¹ A resolution of the general meeting of shareholders passed by at least two thirds of the votes and the absolute majority of the nominal value of the shares represented shall be required for:

- a) the change of the corporate purpose;
- b) the consolidation of shares unless the consent of all shareholders concerned is required;
- c) an increase of capital out of equity, against contributions in kind or set-off against a claim, and for the granting of special benefits;
- d) the limitation or withdrawal of preemptive rights;
- e) the introduction of conditional capital or of a capital band;
- f) restrictions of the transferability of registered shares and lifting such restrictions;
- g) the creation of shares with privileged voting rights;
- h) the change of the currency of the share capital;
- i) the introduction of a casting vote for the president of the general meeting of shareholders;

and/or beneficial owners. In connection with the project development and real estate business run through the corporation's ~~s~~ and its subsidiaries, the corporation is specifically entitled to refuse to register persons abroad (pursuant to Federal Law of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad, BewG), if such registration could raise any doubt about the Swiss control of the corporation and/or its subsidiaries.

[Paras. 5-7 are unchanged]

Article 16

¹ A resolution of the general meeting of shareholders passed by at least two thirds of the votes and the absolute majority of the nominal value of the shares represented shall be required for:

- a) the change of the corporate purpose;
- b) the consolidation of shares unless the consent of all shareholders concerned is required;
- c) an increase of capital out of equity, against contributions in kind or set-off against a claim, and for the granting of special benefits;
- d) the limitation or withdrawal of preemptive rights;
- e) the introduction of conditional capital or of a capital band;
- f) restrictions of the transferability of registered shares and lifting such restrictions;
- g) the creation of shares with privileged voting rights;
- h) the change of the currency of the share capital;
- i) the introduction of a casting vote for the president of the general meeting of shareholders;



Right to
nominate board
members

- j) the delisting of the shares of the company;
- k) the change of seat of the company;
- l) the introduction of an arbitration clause in the articles of association;
- m) the dissolution of the company.

² The taking of resolutions on mergers, demergers and conversions is governed by the provisions of the Swiss merger law.

Article 18

[Para. 1 is unchanged]

² The members and the chairman of the board of directors are elected individually by the general meeting of shareholders.

[Paras. 3-6 are unchanged]

- j) the delisting of the shares of the company;
- k) the change of seat of the company;
- l) the introduction of an arbitration clause in the articles of association;
- m) the dissolution of the company;
- n) the amendment, additions to or deletion of articles 16, 17a or 18.

² The taking of resolutions on mergers, demergers and conversions is governed by the provisions of the Swiss merger law.

Article 17a

¹ If Implen AG holds at least 10% of the company's share capital, it shall have the right to nominate for election one member to the board of directors, provided that only such persons shall be nominated who have the appropriate expertise, skills and reputation for such a mandate as verified by the nomination committee of the board of directors. If Implen AG holds at least 20% of the company's share capital, Implen AG shall have the right to nominate for election two members to the board of directors.

² The nomination right as per this article 17a shall be for a maximum of two members of the board of directors.

Article 18

[Para. 1 is unchanged]

² The members and the chairman of the board of directors are elected individually by the general meeting of shareholders. The chairman must not be a person nominated in accordance with article 17a.

[Paras. 3-6 are unchanged]

Election, term
of office



Public offering

Article 34

The obligation to make an offer within the meaning of art. 135 FinfraG only exists if the threshold of 40% of the voting rights is exceeded (opting up).

Article 34

¹ The obligation to make an offer within the meaning of art. 135 FinfraG only exists if the threshold of 40% of the voting rights is exceeded (opting up).

² For Implenla with registered seat in Glattpark (Opfikon), the obligation to make an offer only exists if Implenla AG exceeds the threshold of 42.5% of the voting rights.



Annex 2 – Risk Factors

In addition to the other information contained in this shareholder information brochure, a prospective investor should consider carefully the specific risk factors set forth below before making a decision to invest in any shares of Ina Holding and consult with its own professional advisers before deciding to purchase shares of Ina Holding. The risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of each prospective investor individually. Investment decisions should not be made solely on the basis of the risk warnings set out below, since such risk information does not purport to be an extensive and comprehensive list of all possible risks associated with an investment in shares of Ina Holding. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences.

*The risks and uncertainties described below represent those Ina Holding considers to be material as of the date of this shareholder information brochure. Additional risks not presently known to Ina Holding or that Ina Holding currently deems immaterial may also impair Ina Holding's and its subsidiaries' (together the "**Group**") business, liquidity, financial condition and operations. The trading price of the shares could decline due to any of these risks, and prospective investors may lose part or all of their investment. The business, liquidity, financial condition or results of operations of the Group could be materially adversely affected by any of these risks. In addition, prospective investors should be aware that the risks described may combine and thus intensify.*

This shareholder information brochure contains forward-looking statements that involve risks and uncertainties. The Group's actual performance, results and the timing of certain events could differ materially from those discussed in the forward-looking statements as a result of certain factors, including those set forth below and elsewhere in this shareholder information brochure.

Only prospective investors who are fully aware of the risks associated with the investment in the shares and who are financially able to bear any losses that may arise, should consider investing in shares of Ina Holding.

Risks Relating to the Real Estate Industry

The Group may be adversely affected by economic and other developments in the commercial real estate market

Periods of international, national and regional economic weakness or recession, rising interest rates, fiscal or political uncertainty, market volatility, increasing unemployment levels, currency exchange rate fluctuations, changes in consumer confidence, price developments, falling real estate values, disruption to the global capital or credit markets or the public perception that any of these events could occur may negatively affect real estate markets. In addition, the outbreak or suspected outbreak of health epidemics or pandemics, such as COVID-19, may result in temporary economic slowdowns or weakness, or even recessions that could also impact real estate markets.

Commercial real estate markets tend to fluctuate with investment property prices, rent levels and vacancy rate levels reflecting actual or expected economic and other developments affecting the economy in general and/or the particular markets in which the investment properties are located. Factors such as changes in industrial activity and taxation policies, levels of economic output or growth, unemployment, consumer confidence and other factors, including the willingness and ability of investors to invest or stay invested in the real estate sector, all directly or indirectly affect the local levels of supply and demand for investment properties.

Changes in supply and demand may cause fluctuations in the market prices of real estate, in rent levels and in occupancy rate levels. In particular, an oversupply of real estate in national or regional markets in Switzerland can result in declining rental revenues and market prices for investment properties. Such fluctuations can have a significant influence on the revenue or profit generated from such investment properties and on the value of the underlying investment property in general.

The Group focuses primarily on residential properties, with mixed-use buildings, including high quality office buildings as a secondary priority. General economic or other developments may affect



these properties in different ways, to a different extent and not necessarily at the same time. For example, a slowdown in global demand, inflationary pressure or an economic recession may lead to lower occupancy rate levels, oversupply, inability of the tenants to pay their agreed rents, tenant insolvencies and/or lower rental revenues and market prices for condominiums. Many of the factors that could result in an adverse development are beyond the Group's control.

A decline in the fair value of the development and/or investment properties resulting from a slowdown in demand, an anticipated slowdown in demand or a deterioration of any of the other relevant factors described above in the markets in which the Group operates could have material adverse effects on the valuation of the Group's portfolio and on the Group's business, assets and liabilities, financial condition and results of operations.

The Group may be adversely affected by changes in interest rates or inflation

The value of the Group's portfolio may be materially adversely affected by actual or expected changes in interest rates, in particular mortgage interest rates, and/or inflation. Although interest rates in Switzerland are currently no longer at the lowest, they are still at historically low levels. It is possible that interest rates for real estate financing in Switzerland and elsewhere and/or inflation will increase significantly in the future. Any such development could negatively affect the capacity of investors to finance investments in real estate. This could in turn depress demand for and market prices of investment properties generally, which could have material adverse effects on the valuation of the Group's portfolio. Moreover, inflation may erode the real value of rental income, in particular from long-term rental agreements that are not fully or effectively indexed to inflation, and, to the extent the costs of the Group are exposed to inflationary pressure, the profit generated from such investment properties, which all may have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations. In accordance with the Group's investment regulations, the Group finances projects primarily through mortgages and debt issued on capital markets. As a result, the Group's financing costs could be higher than anticipated if there are significant changes in the interest rates or inflation.

The Group's development projects may be adversely affected by local economic and other factors

The Group's development projects are concentrated in the main business centers of Switzerland. As part of its strategy, the Group intends to continue to focus its portfolio in the main economic areas, such as the Zurich/Winterthur region (24.3% of the portfolio (value after completion)), the Northwestern Switzerland region (49.1% of the portfolio (value after completion)), Central Switzerland region (9.5% of portfolio (value after completion)) and the Western Switzerland region (17.2% of the portfolio (value after completion)). Accordingly, the Group is not only dependent on economic market trends in Switzerland in general, but, in particular, also on local economic and other developments in those regional markets. The general conditions in and development of the Swiss national and regional markets are important to the Group's success. The main factors affecting performance and valuation of the Group's portfolio also flow from the economic environment of these national and regional real estate markets. Performance and valuation of investment properties are dependent on various factors, including demand, tenant creditworthiness, purchasing power of the population, attractiveness of the particular location, the labor market situation, infrastructure, social structure, as well as the supply and demand for investment properties in the respective locations and markets, which may differ from general macroeconomic trends.



Because the national and regional markets do not develop uniformly, the Group's dependence on only a few regional markets can put the Group at a disadvantage as compared with competitors that have a more internationally or nationally diversified real estate portfolio. A downturn or decline in the attractiveness of one or several of the markets in which the Group's development projects are located can have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group is exposed to significant competition in the markets in which it operates which may intensify in the future

The Group's business model largely depends on its ability to acquire property and realize real estate projects. In addition, the Group intends to hold the investment properties it has developed and lease the buildings built to tenants or sell them as condominiums. The Group faces strong competition in both of these markets.

With respect to the acquisition, the development and the letting of investment properties, the Group is exposed to competition from other listed and non-listed real estate companies, domestic and international institutional investors, such as pension funds, private equity companies and insurance companies, and from wealthy private investors and individual owners of investment properties in the Swiss real estate market. In addition, Implenia continues to be active in the acquisition and development of the real estate business and, thus, is a competitor of the Group. The strategy of industrial and financial groups as well as public entities to divest their real estate holdings and to focus on their core business operations has increased the availability of Swiss real estate thus attracting new investors to the market. In addition, due to low interest rates, the real estate market has attracted new investors seeking alternatives to investing in sovereign and corporate bonds.

Entry barriers for competitors are generally low in real estate markets, which means the Group is exposed to intense competition at all locations. There are not only regional investors with in-depth knowledge of the local markets in Switzerland, but also national and international institutional investors, such as open- and closed-end real estate funds, insurance companies, pension funds, private equity companies and other listed and unlisted real estate companies and construction companies competing in the market. Compared to the Group, institutional investors and international investors in particular may have considerably greater resources to finance their acquisitions and may be willing to pay higher prices for strategic investments, due to fewer constraints resulting from their investment regulations or on the basis of an advantageous asset-liability structure. The high demand for investment properties in Switzerland, in particular at prime locations, might have resulted in the past or may result in the future in excessive purchase prices for investment properties, and thus in declining returns on investments.

In addition, as a result of strong competition, the Group may not be willing or able to place the highest bid to acquire investment properties, or the competitive bidding environment may force the Group to place bids for investment properties that are higher than the Group had originally planned to pay. In addition, the Group competes with other real estate companies, developers and individual owners of investment properties to attract and retain suitable tenants at favorable conditions for the Group. The Group may not always be able to purchase investment properties or to lease premises on terms and conditions that are economically beneficial for the Group, which could have a material adverse effect on the Group's strategy, business, assets and liabilities, financial condition and results of operations.



Competition in the project development business is mainly driven by price and quality of the project management. The Group's existing competitors could intensify efforts to increase their respective market shares by for example reducing their margin expectations and/or accept more risks. Some of the Group's competitors may have greater financial resources than the Group, which may enable them to invest significantly more capital into their businesses, or may have lower capital return requirements than the Group. If these efforts and/or investments of competitors prove successful, they could result in a competitive disadvantage for the Group. In addition, entry barriers in the project development business are relatively low and new competitors can enter the markets relatively quickly, which would further increase competitive pressure. Any of the foregoing may have material adverse effects on the Group's strategy, business, assets and liabilities, financial condition and results of operations.

The unavailability of debt financing or any subsequent refinancing on reasonable terms could impair the Group's ability to implement its business plan or force the Group to sell properties at unfavorable terms

Investments in properties, making advance payments or carrying out refurbishments, or the pre-financing of projects make the real estate business very capital-intensive. Therefore, real estate companies generally rely on access to debt capital to a high degree. As at 31.12.2023 the Group loan to value ("LTV") is about 39%, the Group targets over the next years a loan to value ("LTV") of about 50% depending on the market situation by raising mortgages on its real estate assets and/or the issuance of debt instruments on capital markets. As a result, the Group depends and will continue to depend in the future on the ability and willingness of financial institutions to grant mortgages to the Group on reasonable terms, including terms regarding collateral requirements and on investors willing to purchase debt instruments from the Group. A deterioration of the financial markets could result in the Group temporarily lacking the financial resources to make planned real estate investments, proceed with planned development projects or adversely impact the credit of its tenants. This could adversely impact the Group's ability to borrow from banks and/or may significantly increase the costs of such borrowings. The attractiveness of different financing options depends on a variety of variable factors, many of which are outside the Group's control. Such factors include interest rates, the amount of financing required, general legal and tax conditions, the assessment by financial institutions of the value and the recoverability of the properties to be used as collateral for loans, or their evaluation of the general economic environment. In particular, a significant increase in interest rates could result in a shortage of credit available to finance property purchases and project developments. If the Group were to become unable to secure new debt financing, or to secure such debt financing on favorable terms, it may not be able to make new investments. In addition, if the Group were unable to maintain or replace existing financing on equally favorable terms, it may be forced to sell properties on unfavorable terms in order to meet its payment obligations, even if the Group's strategy were to keep such properties or even if the reported fair value of such properties were above the market price at which a sale could be conducted at the time. This could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.



We face risks related to pandemics, epidemics or similar widespread public health concerns, the ultimate impact of which is outside our control, and which may result in a general downturn of the economy, thereby affecting the real estate sector as well, which could in turn materially and adversely affect our operations, cash flows and financial condition

As the COVID-19 outbreak has shown, pandemics, epidemics and similar widespread health concerns can cause economic instability and a significant decrease of total economic output in the affected areas and globally. The impact that such outbreaks can have on the general economic environment in the markets in which the Group operates can be significant and are primarily expected to affect the retail space market and the tourist hotel segment. Ina Holding will continue to be active and as a result, the market value of its portfolio may decline in the future. In addition, an increased instability of the political and economic environment could also lead to an increased cost of capital and affect the availability of financing options.

As a result of a global pandemic or similar widespread health concern, among other things, construction work in Switzerland on certain real estate properties may have to be reduced or even halted for an unforeseeable period of time. In addition, the market value of the Group's properties may decrease significantly, and the net assets, financial position and results of operations of the Group may deteriorate.

All of the above, as well as any further, yet unforeseen consequences associated with such pandemics and similar events, could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

Risks Relating to the Business Operations of the Group

The Group outsources most operational functions of the Group's business, which requires a high degree of supervision, coordination and control, and leads to dependencies on external partners

The Group outsources almost all operational functions to third parties. To that end, the Group has entered into a number of service level agreements, including with Implenia (for the dependency on Implenia specifically see below "*Implenia exercises and will continue to exercise considerable influence on the Group*"). While these arrangements may lower operating costs, they also reduce the Group's direct control over such outsourced functions and services. If the Group fails to deploy, manage, or oversee such outsourcing arrangements appropriately, the Group's business could suffer. For example, if the roles, responsibilities and competences of each external partner are not clearly defined and monitored diligently and effectively, this could lead to service gaps, redundancies and increase costs.

Outsourcing administrative, construction and marketing activities also leads to dependencies of the Group on external partners since the respective know-how is not build and developed internally. Third-party contractors may also not be incentivized or equipped to increase efficiency and cost optimization, and therefore require tight supervision and control. However, due to the large number of service level agreements and interfaces, the Group may not always detect potential deteriorations in service quality or interruptions at the earliest possible point in time, which may negatively impact the Group's business and results of operations.

There is no assurance that the services rendered by the contractors or third-party service providers engaged by the Group will be satisfactory or match the level of quality required by the Group. Third-party service providers do not work exclusively for the Group and as a result of conflicts of interests



or otherwise may not, or may not be able to, allocate sufficient resources to the services for which they are engaged by the Group. They may also experience financial or other difficulties such as procuring labor that may affect their ability to carry out the work for which they were contracted, including their ability to complete the Group's investment property development projects within the scheduled time frame. Any interruption or termination in the services or deterioration in the performance of the Group's contractors or third-party service providers may cause serious disruptions to the business, service levels and reputation of the Group, and may also result in litigation and damages claims made against the Group. Furthermore, the Group has little control and influence over the subcontractors commissioned by its contractors. If these subcontractors violate regulations or laws (e.g., undeclared labor, fraud, deliberate bankruptcy, etc.) or engage in other questionable conduct, this can have a negative impact on the Group's reputation.

In particular, the Group's asset management (i.e., management of properties) is outsourced to the real estate service of Implenia, which (i) does not yet have a long track record in managing properties, and (ii) further outsources certain operative facility management services to other sub-contractors. Due to the role of these intermediaries, Ina Holding may not be in a position to build long-term relationships with its customers and key accounts, and may not or not in a timely manner become aware of therefore not be able to remediate any deficiencies or shortcomings at all or in time. If the Group does not manage to appropriately monitor and supervise the management of its properties, this may result in customer dissatisfaction, increased costs and harm its reputation.

In addition, Ina Invest's subsidiary (Ina Invest Development AG) as owner of properties is subject to statutory charge on a property for the claims of contractors based on supplied labor, materials, construction or other works, demolition or scaffolding work, securing the construction pit or similar provided in connection with the said property (*Bauhandwerkerpfandrecht*). This may result in claims being made against the Group that relate to services outsourced to Implenia or other third-party service providers.

Moreover, outsourcing agreements typically include conditions under which such agreements can be terminated, including notice periods. Depending on the length of such notice periods, the Group may not have the flexibility to terminate such agreements on a short or medium-term basis, for example to respond to changing market conditions. The Group may also not be able to find suitable replacements for such services and functions at reasonable terms or within appropriate timeframes.

The Group's investment strategy is focused on sustainable, high-quality development of construction projects, which may increase costs and therefore lack demand when it comes to (re-)selling properties

The Group has positioned itself as one of Switzerland's most sustainable real estate portfolios, focusing on qualitatively superior construction projects. Its strategy builds upon the use of spaces for living, work and leisure, and relies on forecasts of trends including the ratio of employees to available workspace. If such forecasts prove to be inaccurate, spaces could be converted or rebuilt at high costs but only sold at lower prices in the market due to shifts in demand.

While sustainable construction has become increasingly attractive for investors, delivering on sustainability targets may lead to significant added costs in the construction and maintenance of properties, which is not always valued and appreciated accordingly by customers or tenants. This, in turn, may result in revenue and profitability targets not being met, which can significantly affect the Group's results of operations.



Furthermore, the Group may not be able to satisfy all the requirements for certain sustainability certifications or ratings without incurring extra costs or delays. In addition, such standards can change and evolve overtime, which will require effort for the Group to remain current with the latest sustainability trends and requirements. As a result, the Group may not be able to rent out buildings to suitable tenants or sell condominiums, or only at less favorable terms than anticipated or at all.

Any of the foregoing could have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

Ina Holding may not obtain the sustainability certifications it seeks for its properties or not live up to the regulatory or internal sustainability standards

It is part of the Group's strategy to position itself as one of Switzerland's most sustainable real estate portfolios. As such, Ina Holding or the Group may seek to obtain certain sustainability certifications (e.g., SNBS or GRESB certifications) for certain of its properties. The standards and requirements that must be fulfilled to obtain such certifications are high. If such sought after certifications are not received, or if Ina Holding receives certifications which do not meet market demand, this may negatively impact the Group's reputation, the prices that may be obtained for the sale or lease of its properties may be lower than anticipated, and investor's expectations may not be fulfilled.

In addition, due to the outsourcing of the development and implementation of construction projects, there is a risk that the third-party suppliers and contractual partners of the Group are not aware of, or do not appropriately integrate and comply with, the sustainability criteria in order to obtain the desired certifications. This, in turn, may lead to significant remediation costs, or result in construction permits not being received in a timely fashion or at all.

Non-compliance with regulatory and internal sustainability criteria may lead to a decrease in the demand for real estate within the Group's portfolio, decreasing revenues, reputational damage and other negative impacts for the Group's market position, resulting in a decline in the attractiveness of Ina Holding's shares for investors.

All of the above may have a material adverse effect on the business, financial condition and results of operations of the Group.

Implenia exercises and will continue to exercise considerable influence on the Group

Currently, there is a shareholders' agreement between Implenia, Ina Holding and Ina Invest in place governing, among other things, the shareholders' rights with respect to voting rights in Ina Invest. Pursuant to this agreement, Implenia has, inter alia, the right to nominate two persons as members of the board of directors of Ina Invest as long as Implenia holds at least 20% of the shares in Ina Invest (and one member of the board of directors of Ina Invest if Implenia's shareholding falls below 20%). In addition, certain matters listed in the shareholders' agreement require the approval of Implenia or one of its representatives on the board of directors of Ina Invest.

As of the effective date of the merger, the shareholders' agreement will be terminated. Instead, it is envisaged that Ina Holding and Implenia enter into a relationship agreement which also provides a nomination right for two members of Ina Holding's Board of Directors (as long as Implenia holds at least 20% of the shares of Ina Holding) respectively one member (as long as Implenia holds at least 10% of the shares of Ina Holding). For further details, see section "*Ina Holding Following Approval and Implementation of the Proposed Merger – Description of Key Provisions of the Relationship Agreement*" of this shareholder information brochure). Through these representatives of Implenia on the Board of



Directors of Ina Holding, Implenia will continue to be able to influence the operations of the Group. Certain limited important matters will require the approval of a two-thirds majority of the Board of Directors of Ina Holding, which effectively will require approval of at least one director nominated by Implenia.

In addition, Implenia performs certain services for Ina Invest, respectively the Group. Services include portfolio management, asset management and transaction management. There are also individual project agreements, general contractor agreements and marketing agreements, with Implenia group companies in place. These agreements will be transferred to Ina Holding with effect as of completion of the planned merger.

The original term of these agreements on a project level is until 31 December 2030 and may only be terminated earlier in case of important reasons. Absent of important reasons, these agreements can only be terminated by Ina Invest and Ina Holding with financial consequences and by a majority vote of the Board of Directors. If Implenia terminates these agreements, Ina Invest respectively Ina Holding will be forced to either hire personnel that is capable of rendering these services or to find another third party/other third parties who are willing and able to do so. Such alternatives may be more expensive, less efficient and/or the services rendered may have a lower quality.

Under the framework agreement, Ina Invest exclusively commits to task Implenia Immobilien AG and Implenia Schweiz AG (both subsidiaries of Implenia) with the realization of the development of the current portfolio and future projects. Only in case that the parties do not agree on material points in the project development, Ina Invest has the right to engage third parties. Hence, even if individual project development agreements are concluded at arm's length, it is not certain that Ina Invest (respectively Ina Holding) will enter into agreements related to a specific project that include the most favorable terms available in the market.

The agreements described above and representation of Implenia on the Board of Directors of Ina Holding allow Implenia to exercise influence on Ina Holding and the Group. Implenia's interests do not necessarily have to be (and may not be in the future) aligned with those of the other shareholders of Ina Holding. To the extent the interests of Implenia differ from those of the other shareholders of Ina Holding, such shareholders may be disadvantaged by any such actions taken by Implenia or its subsidiaries.

All of the above-mentioned factors could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations or have a negative impact on the Ina Holding's share price.

The Group is exposed to risks related to the acquisition and sale of properties

As part of the Group's strategy, it acquires development and investment properties. For this purpose, it needs to invest significant amounts of time and money in the evaluation of potential properties for acquisition as well as work in connection with the purchase and completion of such purchases, risking that considered acquisitions may not be completed. In addition, each acquisition will be subject to having sufficient available financing options, demand for rental space, and depend on the competitive situation, timing and certain public legal matters, such as the issuance of required building permits (see also "*The Group is dependent on planning and zoning approval for some of its development projects*"). As a result, the Group expects that only a relatively small percentage of the properties that the Group considers for investment will be ultimately purchased and/or developed by it.



In evaluating potential investment opportunities, a variety of factors must be considered, and there can be no guarantee that any valuation method will be reliable. In addition, some of the criteria used in the valuations are subjective in nature and may be assessed differently by different persons. The Group may rely on a valuation method, valuation criteria or valuation opinion that result in an erroneous assessment of the value of the investment property leading to a flawed investment decision. And even if the valuation of a property is reasonable, there is no guarantee that such value will be realized in case of sale of a property or condominiums, since there are other numerous factors that could come into play, such as, among others, oversupply in the real estate market.

In addition, there can be no guarantee that the due diligence examination to be carried out by the Group in connection with the acquisition of a property will reveal all of the risks associated with such property or the full extent of those risks. Although the Group intends to seek to obtain warranties from the seller of a property with respect to certain legal and factual issues, these warranties, if granted, may not cover all of the risks that may arise following the purchase or may not fully compensate the Group for a diminution in the value of the property or other losses. It may also be difficult or impossible to enforce warranties against a seller for various reasons, including the insolvency of the seller or the expiration of such warranties.

Once an acquisition has been completed, the Group will need to integrate any acquired properties into its existing portfolio. The Group cannot guarantee that all acquired properties will effectively assimilate to those in its portfolio at any given time.

Furthermore, to the extent that the Group may sell any of its properties or condominiums, it may face numerous risks in connection with warranties and similar risks that accompany real estate sales as a result of any potential defects in such properties. There is no assurance that the Group's properties can be sold at the property values recorded in Ina Holding's most recent financial statements.

In addition, acquisitions consume significant management resources that cannot be used elsewhere in the Group. Acquisitions of property can also lead to greater indebtedness and higher interest expenses.

The occurrence of any of the above factors could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's portfolio currently consists significant share of development projects that do not generate any rental income or sales revenue. The development of properties is typically associated with more risks than the acquisition and holding of investment properties

In contrast to its peers, the Group's portfolio currently consists only of development projects that do not generate any rental income or sales revenue. The Group's peers hold a mixed portfolio of mainly investment properties and also some development properties. Hence, the Group has a different risk profile than its peers which is not comparable in all respects. The development of projects is associated with numerous risks and uncertainties and is time and cost intensive and does not generate any revenues.

In addition, the majority of the portfolio depends on one or several approvals (see also "— *The Group is dependent on planning and zoning approval for some of development projects*") or are for other reasons not yet ready to be built. Accordingly, the Group cannot guarantee that it may realize all projects as described herein in time or at all. In case of delays or a failure to realize the Group's plans, this might jeopardize the Group's implementation of its expected cash flows and revenues.



All of the above may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group risks that it may not develop its projects as currently planned and incur certain risks in connection with redevelopment, renovation and refurbishment of its projects

The Group's strategy includes the development of projects of its portfolio, including new constructions, conversions of existing buildings, renovations and refurbishments.

The realization of construction projects entails a high degree of uncertainty and numerous risks inherent to construction planning and the building process. In connection with the planning of a project, the Group risks, for example, that it does not get the required or desired permits in time which may delay the timeline of a project. In respect of certain projects, the Group only has a purchase right which it may exercise at a later stage and is conditional upon the occurrence of certain events: For example, for project Grand Record, the Group may only exercise its purchase right once the neighbourhood plan has entered into force.

In the context of the realization of a project, the Group faces the risks that the costs are higher than expected or that it may not complete the project within the envisaged timeframe which typically increases the costs of such project. Incorrect planning, using the wrong construction method or technology can lead to considerable time delays, increased costs and accidents on the construction site, any of which in turn may have an adverse effect on the project. In addition, during the course of a construction project, the Group may make (or be required to make) adjustments to the use of some areas which could result in additional costs or delays, as well as impact the estimated size of the property or expansion (i.e., reduced sqm). Construction projects can involve further risks, including shortages of materials or skilled labor, shutdowns, unforeseen engineering, environmental or geological problems, work stoppages, litigations, adverse or unexpected weather conditions and unforeseen increases in cost, any of which could give rise to delays or cost overruns. Difficulties in obtaining any requisite licenses, permits, allocations or authorizations from regulatory authorities or delays due to re-filing requirements or objections could also increase the cost, or delay or prevent the construction or opening of, refurbished investment properties or new development properties (see also "*—The Group is dependent on planning and zoning approval for some of its development projects*").

Until completion of the projects, the properties may require considerable funds and it may be some time before these real estate projects realize any profit. Even if the Group assumes that the ongoing projects will be completed within the set timeframe, delays cannot be excluded. Any such delays could have an adverse effect on the reputation and business, assets and liabilities, financial condition and results of operations of the Group. Some of the Group's lease agreements are concluded with tenants during the construction process and may contain contractual penalties against the Group in the event that certain construction milestones are not achieved within the agreed timeframe. In addition, such tenants may raise other legal claims under the lease agreement and seek remedies if the Group is unable to comply with the terms of the respective agreements, including stipulated milestones. This can amplify negative consequences resulting from delays, and increase the time until such real estate projects realize any profit.

Construction activity is generally dependent on weather conditions. Longer periods of cold weather and rain could delay the building activities. Climate change may contribute to changes and variability in precipitation and in the intensity and frequency of extreme weather events. Such adverse weather



conditions, if they occur with unusual intensity, during abnormal periods, or last longer than usual, can materially and adversely affect the Group's business, financial condition and results of operations.

No guarantee can be given that the occupancy rate will be sufficient to realize the budgeted rental income, and there is a possibility that after completion may be times during which there is a large number of vacancies. In particular, a change in the attractiveness of a location during the time lapsing from the initiation of a project, including after the completion of a project, can result in the planned profit not being generated.

After completion of the construction activities, there is no assurance of maintenance and operating costs of the newly developed properties corresponding to the budgeted costs.

Any of the foregoing could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to risks related to climate change and the environment

Extreme weather events driven or exacerbated by global warming (such as severe storms, floods, extreme temperatures) have increased over the past few years, and greenhouse gas emissions further accelerating global warming are still increasing. The effects of these developments on the Group are numerous.

Extreme weather events including fires, floods, storms, hail, landslides and earthquakes often damage infrastructure and real estate; the more frequent and severe such occurrences are, the higher the associated costs of damages become. Even though the Group has purchased insurance coverage against such "force majeure" events, the Group's own expenses to repair damages and invest in more resilient infrastructure may increase significantly. In addition, due to the stronger and more comprehensive insurance protection that is required, the costs of insurance premiums have increased and may rise even more in the future.

In order to curb climate change and reduce greenhouse gas emissions, investments in more sustainable infrastructure, such as ventilation systems, heating or cooling systems, is required, which is often more costly than conventional infrastructure. Due to the Group's strategy, such higher costs are already accounted for in its projects and budget; however, as new technology becomes available and legal requirements for new buildings increase, these costs may further increase and negatively affect the Group's profitability.

Furthermore, taxes and levies related to climate change, such as the CO₂ levy on fuels, may be raised, and additional environmental taxes may be imposed, whereas subsidies for sustainable construction may decrease, overall leading to an increase of operating and tax expenses for the Group. All of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to risks from shortages in raw materials and skilled workers

In recent years, there have been shortages of primary raw materials and supply shortages, particularly in the construction industry, which have led and may lead in the future to volatility in raw material prices. In addition, depending on the severity of the supply shortages, construction projects may be delayed or even brought to a halt. Increased prices of raw materials (particularly concrete, steel and wood) lead to higher costs for the construction of buildings. Furthermore, the construction industry has experienced shortages of skilled workforce, a situation which may continue to intensify, and can



result in delays and non-compliance with agreed deadlines, ultimately increasing costs and negatively impacting the Group's business, financial condition and results of operations.

The Group may need additional capital in the future, which may not be available on favorable terms or may not be available at all

The Group may require additional capital in the future to finance acquisitions, investments, development, redevelopment projects (including new constructions, conversions of existing buildings, renovations and refurbishments), to fund its operations or operating expenses (e.g., repairs, maintenance or litigations), or service or refinance its indebtedness.

Its ability to obtain external financing, including issuing bonds or securing additional or new mortgage loans or credit lines, in the future is subject to a variety of uncertainties, including general market conditions for financings and its financial condition, results of operations and cash flows. Additional financing may not be available on favorable terms or at all due to several factors, including the terms of the Group's existing indebtedness and trends in the global capital and credit markets. In previous years, the capital and credit markets have experienced volatility and disruption which makes it inherently difficult to predict future market conditions. Market conditions could make it more difficult for the Group to borrow or otherwise obtain financing. In addition, there could be a number of follow-on effects from a credit crisis on its business, including insolvency of tenants or the inability of the Group's potential tenants or investors to secure financing.

The terms of available future financing may also restrict the Group's financial and operating flexibility. If adequate funds are not available on acceptable terms, the Group may be forced to reduce its portfolio, sell certain properties or limit or abandon acquisition opportunities. All of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group will require a significant amount of cash in order to service its indebtedness and its cash management may fail due to many factors, some of which are beyond its control

The maximum of project financing is determined by an LTV ratio of about 50% (depending on future market situation), LTV as at 31.12.2023 is about 39%. This assumption does not exclude that the Group will seek additional equity financing during the next 18 months. In addition, the projections are based on various assumptions which may prove to be erroneous or may change due to changed circumstances which could force the Group to tap earlier the equity capital markets to generate cash. For example, the Group may incur additional costs due to delays or more burdensome construction requirements imposed by the Swiss government or the Group may fail to successfully market and sell its condominiums. It is inherently difficult for the Group to assess all potential implications for such scenarios. Prevailing economic conditions as well as the Group's business, financial condition and results of operations (certain aspects of which are beyond the Group's control), will affect the Group's ability to make these payments.

If the Group does not have sufficient cash available to satisfy its debt service obligations, it may have to undertake alternative financing plans, such as refinancing or restructuring its indebtedness, selling assets or seeking to raise additional capital. The Group's ability to restructure or refinance its indebtedness (if required) will depend on, *inter alia*, the condition of the credit markets and capital markets and the Group's financial condition at such time. As a rather young Group, the Group does not have any longstanding relationships with banks or institutional investors which could make it more difficult to find adequate financing. In addition, the terms of existing or future debt instruments may restrict the Group from adopting some of these alternatives. The Group's inability to generate



sufficient cash flow to satisfy its debt service obligations, or to refinance its obligations at all or on commercially reasonable terms, could affect its ability to satisfy its debt obligations and could have a material adverse effect on its business, financial condition and results of operations.

A breach of covenants under current and future financing arrangements of the Group or the failure to renew financing arrangements upon expiration could entail a forced sale of properties or a suspension of dividend payments, and cross-default or cross-acceleration provisions may exacerbate existing risks

The Group's financing arrangements contain certain covenants that limit the discretion of the Group in operating its business and financial covenants, such as loan-to-value ratios, debt service coverage ratios, interest cover ratios and minimum equity ratios. In the event that the Group will breach any such covenant, including as a result of events beyond its control, such as severe economic downturns or a change of control of the Group, and fail to remedy such breach within the applicable cure period, if any, it may face a significant increase in financing costs and/or may be required to immediately repay the outstanding debt in whole or in part, together with any attendant costs.

The Group's financing arrangements also contain cross-default or cross-acceleration provisions which could, following a default or an acceleration under one financial arrangement, trigger defaults under other arrangements. If such cross-default or cross-acceleration provisions were triggered, the Group could face a significant increase in financing costs and/or may be required to immediately repay all affected borrowings, which could result in substantial liquidity shortages of the Group, significantly reduce its access to financing.

In addition, the Group may not be able to renew financing arrangements when they expire. In such a situation, the Group may be forced to sell some or all of its properties unless it has sufficient cash resources or other credit facilities available to make such repayments. Furthermore, a lender may be able to sell properties of the Group or procure their sale to the extent that such properties serve as collateral for borrowings. Any of the foregoing could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The valuations of the Group's properties are subjective and may prove to be inaccurate

Real estate properties are inherently difficult to value. Valuations done by independent external appraisers such as Wüest Partner AG ("**Wüest Partner**") are to a certain extent subjective and made on the basis of assumptions about the future which may not necessarily materialize.

Since the measurement of fair value implies maximized utilization, the highest and best use can deviate from the actual or planned use of a property. In addition, in Switzerland, the amount of available data on current real estate sales prices and the value development of real estate is rather limited in comparison to other European countries, which can make the valuation of properties more difficult. Additionally, the inspections of the Group's properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. In particular, decontamination costs might not be fully quantified in the valuation of specific properties. A valuation carries the risk that in case of a sale, the determined value of a property cannot be realized. When valuing real estate in connection with a sale, such valuation always assumes an appropriate time span to market the property in question. In case of a forced sale of the property within a very short time, it is possible that the estimated value may not be achieved, resulting in corresponding negative consequences for the Group. There can be no assurance that the Group's investment in its



properties will be realized at the property values recorded in its financial statements. See also "*The Group may be adversely affected by economic and other developments in the commercial real estate market*".

The Group applies fair value accounting for its properties. The Group's external appraiser values the properties of the Group using the discounted cash flow method. It cannot be excluded that a valuation by another valuation expert or a subsequent valuation of these properties at a different point in time would lead to a higher or lower valuation due to different or changing assumptions and/or changes in the prevailing market conditions. The Group assesses the valuation of its properties to ensure that the carrying amount of each property reflects the market conditions at the relevant financial reporting date. The value of the properties in the Group's portfolio may fluctuate from time to time due to changes in market and other conditions, resulting in an adjustment to the carrying amount in the Group's financial statements. A lower valuation could lead to revaluation losses, which could have an adverse effect on the Group's net asset value and profitability. It may also affect the Group's ability to obtain more borrowings, or result in the Group having to reduce debt, if the financial covenants in the Group's financing and other agreements require the Group to maintain a level of debt relative to asset value, and such covenants are triggered as a result of adjustments made to the fair value of the Group's properties.

Any of the foregoing could have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group is exposed to risks arising from the illiquidity of its property portfolio

In certain segments, the Swiss real estate market is characterized by limited liquidity both in the acquisition and the divestiture of properties. Such illiquidity may affect the Group's ability to liquidate part of its properties in response to changes in economic, real estate market or other conditions. If the Group were required to liquidate parts of its property portfolio on short notice for any reason, including for raising cash to support its operations, there is no guarantee that it would be able to sell any portion of its property portfolio on favorable terms or at all. In case of an accelerated sale, it is likely that there would be a significant shortfall between the fair value of a property and the price that the Group would be able to achieve upon the sale of such property. In addition, mortgages are typically secured by security interests over the relevant real estate property which can further limit the Group's ability to dispose of certain properties. Any of the foregoing could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

In the future, the Group could fail to carry out real estate transactions on reasonable terms or at all

In order to achieve a satisfactory return on equity, it is necessary for the Group to make ongoing investments in properties on reasonable terms and to realize the value potential of such properties. The success of the Group's business depends on various factors such as the availability of suitable properties, favorable purchase terms, reasonable financing options, demand for rental space, the competitive situation and market timing, but also certain public legal matters such as the issuance of required building permits.

A lack of investment opportunities in commercial properties on reasonable terms could have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.



The Group is exposed to risks arising from environmental liabilities

The Group's properties (existing or future) may contain hazardous materials (e.g., asbestos) or be contaminated or otherwise affected by environmental risks or liabilities, such as pre-existing pollution and soil contamination and certain of the Group's properties are listed in the register of polluted sites (*Kataster der belasteten Standorte*). The remediation and disposal of such hazardous substances, other soil and/or groundwater contamination or other environmental liabilities associated with a property could entail significant costs and expenses. For example, Lokstadt and Onex, Chemin de l'Echo are the properties of the Group which are entered into the register of polluted sites (see also "*Business Description—Environmental Liabilities*"). Although the costs are already considered in connection with the costs for development, the actual costs may be greater than estimated. Furthermore, even if the Group may have claims for compensation against the seller of affected properties or against the party responsible for pollution or contamination, such compensation may be unrecoverable for reasons such as the insolvency of the seller or third party or the expiration of the applicable statute of limitations. As of the date of this shareholder information brochure, the Group is not aware of any existing or potential environmental liabilities that could have a material impact on the Group's business, prospects, results of operations and/or financial condition.

The incurrence of unforeseen costs to remove or dispose of substances or hazardous materials or to remediate environmental contamination or other environmental liabilities associated with the Group's real estate portfolio could materially adversely affect the Group's business, assets and liabilities, financial condition and results of operations.

The Group may be insufficiently insured against losses and damage, including cases of force majeure

Insurance policies taken out by the Group, including such against natural disasters, operational interruptions and third-party liability, are customary for the industry, but are subject to exclusions and limitations of liability both in amount and with respect to the insured events. The Group's insurance coverage may, therefore, turn out not to be sufficient. Floods, fires, storms, earthquakes, health pandemics and similar natural disasters as well as certain acts of terrorism, cyber risks or other events may cause damages which are not or only partly covered by insurance and may thus lead to significant losses and costs in connection with remediation that must be borne by the Group. Also, the insured value of a property may be significantly below its fair value and insurance coverage is regularly limited to the temporal value, i.e., it does not cover the reinstatement value. If the Group suffers a loss or incurs a liability against which it is uninsured or insufficiently insured, this could have material adverse effects on its business, assets and liabilities, financial condition and results of operations.

Force majeure events (e.g., natural disaster such as earthquakes or storms, health pandemics, war or terrorist attacks, sabotage, vandalism, occupation of buildings or unforeseeable geological or environmental events that cannot be influenced by the Group) can have a negative influence on the business, asset and liabilities, financial condition or results of operations of the Group. In addition, it cannot be excluded that the Group must pay at least in part for the consequences of events involving force majeure for which there may not exist adequate insurance coverage or for which such insurance coverage may only be obtained at unreasonably high costs to the Group. Any of the foregoing could have material adverse effects on its business, assets and liabilities, financial condition and results of operations.



The Group is dependent on a limited number of key members of its management and its ability to attract and retain qualified employees

The Group's success depends to a large extent on the continued involvement of the current members of the Board of Directors, the CEO and the CFO; all other functions are outsourced (see also "*The Group outsources most operational functions of the Group's business, which requires a high degree of supervision, coordination and control, and leads to dependencies on external partners*"). If the Group is unable to retain the CEO, CFO or members of the Board of Directors, this could result in a significant loss of expertise and could have a material adverse effect on business, assets and liabilities, financial condition and results of operations of the Group.

In the future, the Group may be required to hire additional personnel as it grows. In order to achieve the Group's strategy, the Group will be required to attract and retain a sufficient number of qualified employees. If the Group will not be successful in hiring additional qualified personnel and retaining it, this could negatively affect the Group's business development, and therefore may have material adverse effects on the business, assets and liabilities, financial condition and results of operations of the Group.

The merged company will own some real estate only through the subsidiary Ina Invest Development Ltd.

Currently, Ina Holding owns real estate through Ina Invest and does not directly own any properties. After the planned merger, these properties will be owned by Ina Holding (respectively the merged entity) directly. However, there will still be properties owned by the subsidiary Ina Invest Development Ltd., which might be charged in favor of lenders to the subsidiary. Accordingly, any proceeds in case of a winding up or liquidation of the subsidiary must first be used to cover claims of creditors of the subsidiary. In addition, after completion of the planned merger, Ina Holding (the merged entity) will hold 60% of the shares and voting rights in the subsidiary Ina Invest Development Ltd. As a result, shareholders of Ina Holding may suffer difficulties or delays in realizing any proceeds from the sale of properties by the subsidiary in the case of a winding up, liquidation or similar events and will only receive a pro rata share of any such proceeds commensurate with its shareholding in the subsidiary.

The Group is exposed to risks associated with the real estate services business

The Group faces several risks associated with the real estate services business. The business environment that the Group's real estate service business operates in is characterized by the continuing trend towards digitalization of internal processes, such as accounting and administration. In addition, the use of information technology as an external customer interface is increasingly important for the acquisition and retention of customers of real estate services. The Group's success in the competitive market environment thus depends on the effective and efficient implementation of information technology tools. A failure of the Group to efficiently provide real estate services in this highly competitive environment could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is subject to reputational risks

The reputation of the Group can be damaged by a number of factors, some of which may be outside its control, for example, location factors, property defects, the conduct of tenants, press speculation, negative coverage in the media (including social media), threatened or actual litigation. There is no



assurance that the Group will manage to respond adequately and in time to such threats to its reputation, and even if it does, there may still be impacts on its reputation outside the Group's control. Damage to its reputation could have a material adverse effect on the business, financial condition and operating results of the Group.

The Group may fail to establish and maintain adequate and effective internal control over financial and non-financial reporting which could impair the Group's ability to operate its business or have otherwise an adverse effect on the Group's business

The Group exists since 2020 and has little experience in pursuing adequate internal financial and accounting controls for the Group. The Group has mandated KPMG AG ("**KPMG**") with internal accounting and reporting. Ensuring that the Group has adequate internal financial and accounting controls, policies and procedures in place so that it can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. The Group's internal control over financial reporting together with KPMG is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Swiss GAAP FER.

Maintaining updated internal control over financial reporting can also be challenging in light of any new local accounting guidance that may become applicable to the Group from time to time, or changes in the interpretations of existing local accounting guidance. In case of a termination of accounting and reporting services by KPMG, the Group could fail to have an adequate internal process and resources available. Furthermore, the application of accounting policies requires management to exercise judgment and use estimates, which may affect the Group's results. In any case, implementing any required changes to the Group's internal controls in order to improve their reliability may distract the Group's management, entail substantial costs to modify the Group's existing processes and take significant time to complete.

In addition, the rules on non-financial reporting under Swiss law entered into force in 2022 and are applicable to the Group since 2023. Due to uncertainties on the requirements for non-financial reporting from a legal perspective and the fact that internal processes to gather the required data and produce the required reports are still being built and refined, it cannot be excluded that such reporting may, particularly, in the first reporting year, be incomplete, delayed or otherwise flawed, which could in turn have reputational impacts.

Failure to maintain the adequacy of the Group's internal controls and the potential inability to produce accurate financial statements or non-financial reports on a timely basis could increase the Group's operating costs and may have a material adverse effect on the business, financial condition and operating results of the Group and may ultimately affect share price of Ina Holding.

The Group's business could suffer as a result of future litigation

The Group is subject to numerous risks relating to legal, governmental and regulatory investigations or proceedings to which it may become a party in the future and the Group may become from time to time subject to legal, governmental or regulatory investigations or proceedings. For example, if the Group fails to adequately maintain an investment property, tenants may raise claims against the Group requesting lower rents and/or losses or damages. There can be no assurance that the results of any such investigations or proceedings will not materially harm the Group's business, reputation or brand. Moreover, even if the Group ultimately prevails on the merits in any such investigations or proceedings, it may have to incur substantial legal fees and other costs defending itself against the



underlying allegations.

The Group maintains liability insurance for certain legal risks at levels its management believes are appropriate and consistent with industry practice. The Group's insurance policy, however, does not protect it against reputational damage. Moreover, the Group may incur losses relating to investigations or proceedings beyond the limits, or outside the coverage, of such insurance. Finally, there can be no assurance that the Group will be able to maintain adequate insurance coverage on commercially reasonable terms in the future. Each of these risks may have a material adverse effect on the business, financial condition and operating results of the Group, and its provisions for costs related to legal proceedings may not be sufficient to cover its ultimate losses or expenditures.

The Group is exposed to failures in maintaining its information and technology (IT) networks

In the ordinary course of its business, the Group collects, stores and processes sensitive data, including proprietary business information, identifiable information about its employees, contractors, other service providers and tenants on its networks. The security, processing, maintenance and transmission of this information is critical to the Group's business.

Despite the security measures the Group takes, and those of its third-party service providers, the Group's information technology and infrastructure may be vulnerable to attacks by third parties or breached due to various reasons, including but not limited to employee error, malfeasance or other disruptions. Information security and cyber risks have generally increased in recent years, in part because of the proliferation of new technologies and the increased sophistication and activity of organized crime, hackers, terrorists, activists, cybercriminals and other external parties. Cybersecurity attacks are becoming more sophisticated and include malicious software, phishing and spear phishing attacks, wire fraud and payment diversion, account and email takeover attacks, ransomware, attempts to gain unauthorized access to data and other electronic security breaches. Cybersecurity attacks, including attacks that are not ultimately successful, could lead to disruptions in the Group's critical systems, unauthorized release of confidential or otherwise protected information or corruption of the Group's data, and could also substantially impact its business.

Security breaches, cyber-attacks and other disruptions of the Group's information and technology networks could compromise the Group's business and expose it to liability, reputational harm and significant remediation costs. In addition, such events could disrupt the Group's operations, harm its relationships with employees, contractors or tenants, damage its reputation, result in the loss of a competitive advantage, impact its ability to provide timely and accurate financial data and cause a loss of confidence in its financial reporting, which could adversely affect the Group's business.

Additionally, the Group relies on third parties, including to a significant extent Implenla, to support its information and technology networks, including cloud storage solution providers, and as a result, the Group has limited direct control over its data and information technology systems. Such third parties are also vulnerable to security breaches and compromised security systems, for which the Group may not be indemnified and which could materially adversely affect the Group and its reputation.

The occurrence of any of the above factors may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to a number of operational risks

The Group is exposed to various operational risks, such as agreements containing unfavorable or unenforceable terms for the Group or fraudulent behavior of management or employees. Acts or



omissions of the Group's management, employees, agents, representatives, and other persons acting on the Group's behalf could result in failures by the Group to comply with applicable laws, regulations, rules or industry codes of conduct, or requirements imposed or supervised by a regulator, which could lead to onerous requests for information, prosecution, disciplinary action, imposition of fines or the revocation of a permission or authorization, and could result in adverse publicity regarding the Group (see also "*—The Group is subject to reputational risks*") and affect the Group's relationships with its current and potential clients and applicants, as well as diverting its management's attention. Furthermore, the Group's relationships with third parties are subject to applicable anti-kickback, fraud and abuse, and other laws and regulations. The Group's internal controls may not prevent or detect violations of law or internal policies.

In addition to other risks mentioned in this shareholder information brochure, there is a risk that unforeseen or unexpected risks materialize, despite the risk management system that the Group has in place. Moreover, many of the Group's contracts relate to highly complex transactions. Any of these operational risks may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to various risks as a result of lease or sale of its investment properties

The Group owns several properties which it leases to third parties. Leasing investment properties to third parties involves numerous risks, including but not limited to:

- *The Group may err in its assessment of an investment property's appeal to suitable tenants and may not realize planned rental revenues:* The Group estimates the expected rental income from the investment properties that it holds and/or develops to a large extent based on their location and actual or intended use. If the Group misjudges the future attractiveness of an investment property or its location, or the demand for it, it may be difficult to find suitable tenants that are willing to rent at the rent levels anticipated by the Group. If the Group is forced to reduce its rent or an investment property remains wholly or partially vacant for an extended period of time, the fair value of the investment property could significantly decline and the Group's revenues and results of operations could be adversely affected. If rental income failed to materialize as planned, due to, for example, changes in the tenant structure, lack of demand or oversupply in the market for investment properties in a particular location or of a particular use, this could have material adverse effects on the Group's future business, assets and liabilities, financial condition and results of operations.
- *The Group is exposed to rental risks and may not be able to find and retain suitable tenants on beneficial terms or at all:* The Group's business depends to a large extent on its ability to generate sufficient rental income, which can be influenced by several factors, including general economic conditions, the ability to renew existing rental agreements at similar and favorable terms, and the attractiveness of the premises for suitable tenants that are willing to enter into rental agreements on terms favorable to the Group. The Group's rental income would be adversely affected if one or more of its tenants were to terminate or not renew their then existing rental agreements. The Group may experience difficulties in the future in letting larger rental investment properties that may become vacant.
- *The Group is also exposed to credit risks with respect to its tenants:* The creditworthiness of a tenant may decline for various reasons, including as a result of a decline in the tenant's



business or as a result of changing economic and/or market conditions, both of which would entail a risk that the tenant will become insolvent or otherwise unable to meet its obligations under the lease agreement. If any of the Group's tenants temporarily or permanently fail to meet their obligations under their existing lease agreements or the Group's ability to effectively collect rent from tenants is adversely affected for any reason, the rental income generated from the investment property could be significantly lower than originally estimated, while the Group's operating costs would remain largely fixed or could even increase as a result of other factors.

- *The Group is exposed to the loss of tenants (in particular any anchor tenants) as well as potentially to tenant concentration:* The Group has several anchor tenants, i.e., tenants who are of special importance for the attractiveness of an investment property, and/or several smaller tenants in its investment properties. For example, SWICA signed a rental contract for the entire rental space of Lokstadt, Elefant and is such an anchor tenant. If the Group were to lose an anchor tenant or several smaller tenants, the relevant investment property may become less attractive for other tenants, which could make it more difficult for the Group to renew expiring rental agreements or find new tenants. Especially in the retail segment, a high vacancy rate may result in a decrease in visitor traffic, which, in turn, may deter other potential tenants from the property, and thereby likely increasing the vacancy rate further. In addition, the Group has entered and may in the future enter into lease agreements pursuant to which the rental fee is tied to the tenant's revenue. In such case, a decline in the tenant's revenue resulting from lower visitor traffic would directly adversely affect the Group's rental income from the relevant investment property. The Group may also face concentration risks regarding its tenants in the future in case one or several tenants will attribute a significant portion of the Group's future rental income. Such concentration risks might also include a certain dependency on large tenants and an increased bargaining power of these tenants vis-à-vis the Group.
- *The Group may incur unexpected or higher-than-expected costs or unplanned vacancies due to necessary refurbishment of investment properties:* Due to the ageing of buildings, technological change, changed market expectations, changes in the legal requirements governing the use of the investment properties (including labor law) or specific tenant requirements that differ from the requirements of a previous tenant, certain investment properties of the Group could require refurbishment in the future. In particular, possible interior furnishings required by the tenant (e.g., cinema or bank) may make reletting more difficult or subject to rebuilding at the cost of the Group. Any refurbishments may require the Group to incur significant expenses and may result in extended vacancies in investment properties under refurbishment. If the actual costs of, or the time period needed for, refurbishments exceed the Group's estimates, the Group's revenues and profit generated from an affected investment property could be adversely affected.
- *The Group may be exposed to potential warranty claims:* The Group could be subject to warranty or other claims due to defects in quality or title relating to the leasing and sale of condominiums or the sale of investment properties. This applies in particular to the defects in investment properties that were unknown to the Group, but could have or should have been discovered. When confronted with such claims, any subsequent potential claim that the Group may have for recourse against the party from which the Group had originally purchased such



investment property may fail because of the expiration of the statute of limitations, lack of proof that the previous seller knew or should have known of the defect, the insolvency of the previous seller or for other reasons. Thus, the Group will bear the risk of the burden of proof, the risk that claims are time-barred and that the contractual partners from whom the Group acquired the investment property may be insolvent.

- *The Group may incur unexpected or higher-than-expected maintenance costs for investment properties or unexpected operating expenses:* The costs of maintaining real estate properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The Group will be unable to recover maintenance expenses from its tenants to a great extent, as such expenses are typically borne primarily by the investment property owner and not the tenant. If the actual costs of maintenance exceed the Group's estimates or if the Group is not able to raise its rents due to legal or market constraints, the Group's profit generated from the related property could be adversely affected. Furthermore, any failure by the Group to undertake necessary maintenance work could entitle tenants to withhold or reduce rental payments or even to terminate an existing rental agreement, which could adversely affect the rental income and value of affected investment properties. In addition, physical damage to the properties resulting from fire or other causes related to design, construction or other latent defects in the properties may lead to additional capital expenditure, special repair or maintenance expenditure requirements, business interruption, or payment of damages or other obligations to third parties. All of these factors could have a material adverse effect on the Group's future business, assets and liabilities, financial condition and results of operations.

Most operating expenses of an investment property are customarily allocated to the tenants, mainly in the form of ancillary costs. However, a tenant is only obliged to bear the operating expenses that have been allocated to the tenant under the applicable rental agreement as ancillary costs. If certain operating expenses either will have inadvertently not been allocated to the tenant in the Group's rental agreements or will arise only after the execution of a rental agreement, such as new public dues that are imposed on property owners, the tenant will not be obligated to bear or reimburse such expenses. In addition, the Group may incur unexpected expenses in the future if a court were to hold invalid certain provisions in the Group's future rental agreements, such as provisions regarding lease end obligations, the allocation of renovation costs at lease end, the allocation of ancillary costs or the allocation of ancillary costs for common areas. Furthermore, the operating expenses corresponding to rentable areas which will not be rented may not usually be allocated to other tenants in the same property and consequently will have to be borne by the Group. As a consequence, the Group may incur expenses in the future that will be higher than expected, which could have a material adverse effect on the Group's future business, assets and liabilities, financial condition and results of operations.

All of the above risks could have a material adverse effect on the Group's future business, assets and liabilities, financial condition and results of operations.



Risks Relating to the Legal and Regulatory Environment

The Group is dependent on governmental and political developments

The value of the Group's properties, and therefore of the Company and its subsidiary, may be materially adversely affected by political events and/or changes in laws and regulations. In the event that regulations change in respect of the condition or operation of its properties, the Group may be required to incur capital expenditure to comply with new regulations. The Group may be unable to finance required alterations on reasonable terms or at all, which could result in its properties being unsuitable for their current purposes. Changes in law and regulations could also result in its properties being unsuitable for their current purposes or adversely affect the profitability of the tenants of the Group's properties by substantially increasing their operational costs. Increased operational costs may affect the tenants' ability to make rental payments, which, in turn, may have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to restrictions under existing private and public laws, potential claims resulting from encroachment under existing civil law and the risk of changes in applicable laws or regulations

The Group is subject to various restrictions under existing applicable public law, including, but not limited to, public planning regulations and public building restrictions affecting, among other things, the use of the Group's properties and buildings. Changes in construction laws and regulations applicable to new developments, rebuilding and renovations can lead to additional costs (approval procedures, time delays) or influence the value of the property. The amendment of regional planning orders may lead to a change in the qualification of the zone in which the property was originally located (*Nichteinzonung, Um-/Ab-/Auszonung*), in turn resulting in a loss in fair value of the properties located in the affected zones. Furthermore, certain of the Group's properties are subject to easements, annotations and other similar types of property interests or restrictions as indicated in the respective land register extracts for the properties (e.g., right of way of neighboring property, wayleave rights for sewage pipelines, etc.); however, restrictions on ownership under public or private law may legally exist irrespective of a note in the land register. The absence of the adoption of a masterplan or a neighborhood plan or the non-compliance with any of these restrictions or the invalidity of any permit, certificate of protection or any other required consent that the Group obtained as well as the assertion of claims against the Group due to the violation of public planning and building regulations or encroachments could have a material adverse effect on the Group's business, assets and liabilities, financial conditions and results of operations.

With respect to certain projects (e.g., Onex, Chemin de l'Echo and Les Tattes), the Group has building rights according to articles 779 ff. of the Swiss Civil Code that entitles the holder of such building right to construct buildings on properties that belong to a different owner. To the extent that the Group does not comply with the terms of its agreements with the underlying landowner, the Group could be required to transfer the building rights with all its rights and encumbrances back to the landowners.

The Group's properties are also subject to various laws and regulations, such as fire regulations and environmental regulations. Although the Group takes measures to ensure compliance with such regulations, such measures may prove insufficient.



In addition, the Group's long-term business planning assumes that the laws and regulations concerning the development, use, letting and taxation of properties will remain generally unchanged. However, changes in economic or political conditions may lead to changes in building and construction laws and regulations, environmental laws and regulations, tax laws and other laws affecting the real estate industry or the Group's business. The enactment of stricter laws and regulations could increase the Group's costs, which could have a material adverse effect on its business, assets and liabilities, financial condition and results of operations.

The Group is subject to laws and regulations relating to procurement and transparency in the supply chain

Over the past few years, political discourse relating to transparency in the supply chain and requirements regarding procurement have increased, and laws and regulations in this respect have emerged. It is expected that such laws will become more comprehensive and stricter in the future; however, it is currently not possible to foresee the full extent of these developments.

In order to comply with applicable transparency and reporting requirements, the Group is dependent on its third-party suppliers and contractual partners to fulfill certain transparency and sustainability requirements. If such third parties do not fulfill all or some of these requirements or if any compliance violations happen in the Group's supply chain, this may lead to reputational and financial risks for the Group, as well as delays, changes or abandonment of projects and related increased costs. Any of these events could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is dependent on planning and zoning approval for some of development projects

The Group may require rezoning or zoning approvals and building permits for the construction, development, refurbishment or a change of use of a building from relevant authorities. As a result, the Group may not be able to proceed with current or planned development projects absent such approvals or authorizations, and it may be uncertain whether the relevant authorities will approve such projects and what additional requirements may be imposed in connection with such approvals or authorizations. For example, for Grand Record, Ina Invest will require that the neighbourhood plans will be approved in order that it may realize the said projects. For the status of the Group's current projects, including the application for relevant building permits and other development plans, see p. 117 ff. of the Annual Report 2023.

In addition, the Group may be required to apply for special permissions depending on the property (i.e., properties located in historically or culturally significant/protected areas). If such authorizations or approvals are not secured or a building permit or another required permit is not granted or only subject to onerous conditions, the Group may not be able or willing to proceed with the development project as initially expected or the Group may be required to make adjustments to the use of area which could result in additional costs, lower rent levels or delays, as well as impact the estimated size of the property or expansion (i.e., reduced sqm). If a development project becomes financially unfeasible because a masterplan, a building permit or another required permit is not granted or is granted only subject to onerous conditions, the Group may not be able to carry out the project as originally planned or at all and any expenditure already incurred may be lost. Moreover, changes in the requirements for construction or modernization of existing real estate could result in unforeseen additional costs and delays. In addition, the Group's development projects may be substantially impaired if the receipt of such approval or authorization or the granting of a building



permit is substantially delayed, made subject to additional administrative building constraints or declined altogether. The occurrence of any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be affected by laws and regulations restricting property investments by non-Swiss residents (Lex Koller)

The Federal Act on the Acquisition of Real Estate by Persons Abroad dated 16 December 1983, as amended (also referred to as "**Lex Koller**", "BewG") restricts the acquisition of residential real estate by non-residents of Switzerland. Under the current legislation, the acquisition of commercial real estate is not subject to authorization. Moreover, the acquisition of shares in a listed company, and thus of the shares of Ina Holding, is not subject to authorization pursuant to this legislation. However, should Ina Holding become controlled by non-Swiss nationals, the Group may be restricted in acquiring new properties that are subject to the legislation, although it would not be required to divest any existing properties. To ensure compliance with requirements of Swiss federal laws regarding the shareholders, such as the requirements of Lex Koller regarding Swiss control, the Articles of Association empower the Board of Directors to decline the registration of non-Swiss persons as shareholder with full voting rights, if and to the extent their registration by Ina Holding may prevent it from satisfying the requirements under Swiss federal law regarding the shareholders of Ina Holding.

It cannot be excluded that new parliamentary motions or popular initiatives will result in additional restrictions or that other changes in laws, other regulations or administrative practice are implemented which may hinder or prohibit foreign investors from investing in real estate in Switzerland (especially commercial real estate) or in real estate companies. The implementation or reintroduction of such restrictions may have severe implications on the demand in the real estate market and, accordingly, may lead to a loss in value of current real estate investments.

Civil and criminal liability of the Group due to infringements of applicable data protection laws and regulatory developments with respect to the use of personal data and public records could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations

Because the Group's databases and the databases of third-party service providers include certain non-public personal or commercial information, the Group is subject to government regulation concerning the proper storage, transmission and use of this data. The Group's exposure to data protection laws and regulations may increase as a result of further digitalizing its business and using analytics tools and/or as a result of stricter regulation. Failures by the Group to comply with these laws could result in substantial regulatory penalties, litigation expense, adverse publicity and loss of revenue. In addition, if such information were compromised as a result of a hacking incident or other cyber breach of the Group's systems, the Group could also be found liable for such breach in case the Group did not have appropriate safeguards in place to protect such data and records. Regulations regarding privacy and data protection are likely to become stricter in the future. For example, in the European Union the General Data Protection Regulation, Regulation (EU) 2016/679 (the "**GDPR**") introduced significant changes to the data protection regime of the EU. Similarly, Switzerland recently amended its data protection laws which entered into force in September 2023 and resulted in stricter regulation aligned with the GDPR.



Any such restrictions or any failure of the Group to comply with these laws, regulations and standards may subject the Group to significant liabilities and other penalties and reduce the Group's ability to further digitalizing its business and using analytics tools, which could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to tax risks

Unfavorable interpretations or changes in tax laws, judicial practice or of any rules established in the tax practice could materially adversely affect the Group's business, financial condition and results of operations. Such changes could relate, for example, to the deductibility of interest expenses or depreciation for tax purposes, to the refusal of future tax-deductible losses or to currently applicable tax exemptions for certain types of income. The changes could also relate to the current fiscal year or future years. Moreover, such changes can have adverse effects not only on the Group and its properties, but also a negative impact on the real estate market in general.

The relative attractiveness of doing business in the cantons where a large part of the Group's portfolio is located could also be negatively affected by tax reforms. Any relocation of business activities away from the cantons in which the Group is active, or any shifts in business activities from cantons in which the Group is more active to cantons in which the Group is less active could impact the Group's business. With respect to real estate located in certain cantons such as Geneva, Vaud and Neuchâtel, there is the risk that the tax authorities of such Cantons already consider the sale of one share of Ina Holding as an economic transfer of ownership for the properties located in the canton. For individuals, this would mean that a possible tax-free capital gain on the sale of shares of Ina Holding would be qualified at least in part as a taxable real property gain.

Implenia provides Ina Holding and/or Ina Invest (and will provide the merged entity) with real estate management and development and construction services, and is expected to be provided on standard market terms by companies of the Implenia group. Swiss tax law requires that the prices for such services comply with the arm's length principle. While the Group believes that Ina Holding operates in compliance with the arm's length requirements and intends to continue to do so, the pricing procedures are not binding on applicable tax authorities. If the tax authorities were to successfully challenge the prices as not reflecting arm's length transactions, they could increase taxable profit or apply withholding tax on deemed dividend distributions.

While the Zurich and Geneva tax authorities have confirmed the tax neutral merger without impact on the previous reorganization when setting up Ina Holding and Ina Invest, it cannot be excluded that other tax authorities may take a different view with respect to real estate located in their canton or municipality regarding potential real estate capital gain, cantonal corporate income tax and / or real estate transfer tax.

Real estate is valued at fair value in the consolidated balance sheet of Ina Holding and taxes on the difference between such fair value and tax relevant book values have been deferred. The capital gains taxes, depending on the duration of ownership, can constitute up to approximately 47% (pre-tax rate) of short-term realized real property gains. For the calculation of deferred taxes, Ina Holding also after the merger continues to apply a specific estimated holding period for each property, resulting in an average pre-tax rate of 14%. The actual tax rate may be higher if properties were sold at an earlier point in time.



The price of the shares of Ina Holding may be volatile

The market for and the price of the shares of Ina Holding may be highly volatile and may be adversely affected by events involving the Group, its competitors, or the financial markets in general. Ina Holding's year-end operating results, changes in general conditions in the economy or the financial markets and other developments affecting the Group or its competitors could cause the market price of the shares to fluctuate substantially. The market price of the shares may even fall below the net asset value of the Group. Factors that could cause such volatility in the market price of the shares include, but are not limited to:

- the liquidity of the market for the shares;
- fluctuations in the Group's financial position or operating results;
- differences between the Group's actual or projected financial or operating results and those expected by investors and securities analysts or between such projected financial results and actual results;
- market expectation concerning the Group's performance or financial condition;
- changes in assessments of the Group or its industry in research reports published by industry and securities analysts, or the cessation of coverage by such analysts;
- strategic actions by the Group or its competitors, such as acquisitions, divestures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- announcements by the Group and developments affecting the Group, its business, customers and suppliers and the markets in which the Group competes;
- actual or anticipated sales of the shares, including substantial amounts of shares by the Group or its significant shareholders;
- negative developments affecting the Group's reputation or business relationships;
- extraneous geopolitical factors, new laws or regulations, including Swiss GAAP FER, or changes in interpretations of existing laws and regulations affecting the Group's business, including Swiss GAAP FER;
- litigation or regulatory action involving the Group or industry sectors influencing its business;
- investor perception of the success and impact of the planned merger;
- speculation in the press or investment community, including adverse perception of the Group's announcement of new acquisitions or other projects;
- changes in senior management and/or the Board of Directors;
- changes of general or perceived conditions in the real estate market;
- the state of the Swiss or global economy;
- general adverse market sentiment
- the factors listed herein under "Risk Factors".



Due to its size and focus on Switzerland, Ina Holding may not be eligible for investment for certain institutional investors under their internal investment policies

Institutional investors have internal policies which provide criteria in which companies it may invest. Although the criteria vary from investor to investor, typical criteria include the inclusion in certain indices, minimum thresholds of certain key numbers, free float or credit ratings, the requirement to operate in a broader market or ESG criteria. Due to its limited size and focus on the Swiss real estate market, certain institutional investors may not be willing or permitted to invest in Ina Holding despite its performance. This might have a significant negative effect on the share price and limit the liquidity of the shares.

Future sales of shares may affect the market price of the shares

Sales, or the possibility or perceived possibility of sales of substantial numbers of shares of Ina Holding, including by any of its major shareholders, could have an adverse effect on the market trading prices of its shares. Any issue or sale of shares by the Group or transactions with a similar economic effect could adversely affect the market trading prices of the shares, particularly, if major shareholders are concerned. Future sales of substantial numbers of shares by major shareholders of Ina Holding or the circulation of rumors to this effect may be interpreted by the market as a negative signal with respect to such shareholders' beliefs in the future prospects of the Group's business, and an adverse effect could result from this on the share price of the shares and the ability of Ina Holding to raise further capital in the future.

The Articles of Association provide for an "opting-up" clause and as a result, a person or a group of persons acting in concert acquiring up to 40% of Ina Holding's voting rights will not have to make a mandatory bid offer pursuant to the FMIA; for Implenla, the threshold is 42.5% ("selective opting-up")

According to article 135 para. 1 of the Federal Act on Financial Markets Infrastructures and Market Conduct in Securities and Derivatives Trading (the "**FMIA**"), any person who alone or acting in concert with others exceeds the threshold of 33⅓% of the voting rights (whether exercisable or not) of a company having its registered office in Switzerland and some shares listed on a stock exchange in Switzerland or a non-Swiss company with at least a part of its shares having a primary listing on a stock exchange in Switzerland, must make an offer to acquire all of the listed shares of such company, if there has not been stated a provision in the articles of association for raising the threshold (to up to 49%) or opting completely out of the mandatory tender offer regime.

Articles of Association of Ina Holding provide for a so-called "opting-up", which raises the threshold of 33⅓% to 40%. Hence, a person or a group of persons acting in concert do not have to make a mandatory bid offer if they cross 33⅓% of the voting rights in Ina Holding but only once they cross 40% of the voting rights. As a result, shareholders of Ina Holding will not benefit from the option to sell their shares in a mandatory bid offer if a person acquires a significant number of shares which amounts to less than 40% of the voting rights in Ina Holding.

In addition, the Board of Directors proposes to the shareholders to resolve an additional, selective opting-up to 42.5% with respect to Implenla only (see also section "*Ina Holding Following Approval and Implementation of the Proposed Merger – Key Changes in the Articles of Association*" in the shareholder information brochure), effective as of completion of the planned merger. This means that Implenla, as long as it does not exceed 42.5% of the voting rights in Ina Holding, will not have to make a mandatory bid offer; however, if Implenla sells its stake to a third party, the 42.5% threshold



does not apply, and such third party would then be bound by the general opting up (at a threshold of 40%).

Shareholders qualifying as persons abroad under the Lex Koller may be barred from exercising their voting right and rights associated with the voting right

Ina Holding may refuse the entry of persons abroad within the meaning of the Lex Koller as shareholder with voting rights into the share register, if this may endanger Ina Holding being able to prove that it is Swiss controlled (see also "*– The Group may be affected by laws and regulations restricting property investments by non-Swiss residents (Lex Koller)*"). Therefore, shareholders deemed as persons abroad under the Lex Koller may be barred from exercising their voting rights in the Ina Holding's shareholders' meetings and the rights associated with the voting right, such as the right to call or attend a shareholders' meeting, the information or inspection right, and the right to file motions.

Shareholders may not receive dividends or other cash distributions or may incur an increased tax burden on such distributions

Ina Holding currently is a holding company, which has no direct operations other than the holding of the investment in Ina Invest Development Ltd. (the subsidiary of Ina Invest and, after completion of the merger, a direct subsidiary of the merged entity). Apart from own capital resources, the only source of funds for the payment of dividends, if any, are therefore distributions and other payments received from that subsidiary in the form of dividends, interest, loan repayments, swap payments or repayments of capital. The ability of the subsidiary to pay dividends or make such other distributions is determined in accordance with applicable law, including regulatory capital requirements to which the subsidiary is subject and any other relevant contractual restrictions. Furthermore, the subsidiary is not wholly owned by Ina Invest (respectively will not be wholly owned by the merged entity after completion of the merger), and therefore Ina Holding receives (respectively will receive) any distributions on a *pro rata* basis of its stake in the subsidiary.

Ina Holding's ability to pay dividends or make other distributions to its shareholders is uncertain and may be restricted. Ina Holding may decide not to, or be unable to, pay any dividends or make other distributions to its shareholders. While Ina Holding may pay dividends or make other distributions, the amount of such dividends or other distributions may vary depending on the Group's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, financial covenants and other factors, including applicable provisions of Swiss law requiring Ina Holding to maintain certain statutory reserves, availability of distributable reserves, and sufficient available cash funds.

The Group might change its investment policies and/or the scope of its businesses activities without shareholder approval

The Group aims to develop and hold properties. The scope of the business activities of the Group might change in the future if the management of the Group decides to either enter new business areas or discontinue certain existing business activities. In addition, Ina Holding may change its investment policies and objectives generally and at the individual investment. Under Swiss law, such decisions can generally be taken without shareholder approval and could alter the nature of shareholder's investment.



Exercise of conversion rights relating to future issuances of equity or securities that are convertible into equity may result in a dilution of shareholdings

As of the date of this shareholder information brochure, Ina Holding does not have any convertible bonds outstanding which would be convertible into shares but may issue convertible bonds or similar equity-linked instruments in the future. To the extent holders of such equity-linked instruments will choose to exercise their conversion rights, such conversions would dilute a shareholder's proportional ownership and voting interest in Ina Holding. Moreover, Ina Holding may choose to raise financing depending on market conditions or strategic considerations in the future through the issuance of equity or other securities that are convertible into equity. Such issuance could dilute a shareholder's proportional ownership and voting interest in Ina Holding.

If analysts do not publish research reports about Ina Holding's business or if they downgrade their recommendation with regard to its shares, the share price and/or trading volume could decline

The trading market for the shares is influenced by the equity research and reports that industry or security analysts publish about Ina Holding and its industry. Ina Holding does not control these analysts. If one or more of the analysts who cover Ina Holding downgrade their recommendation with regard to its shares, the price of the shares would likely decline. In addition, if one or more of these analysts cease coverage of Ina Holding or fail to regularly publish reports on Ina Holding, it could lose visibility in the market, which could, in turn, cause the trading volume in its shares and/or the price of its shares to decline.

Shareholders in certain jurisdictions, including the United States, may not be able to exercise their rights to acquire further shares and their ownership and voting interest may be diluted accordingly

Under Swiss law, if not validly withdrawn or restricted, shareholders have certain pre-emptive or preferential subscription rights to subscribe on a *pro rata* basis for issuances of new shares, or other securities that entitle holders to acquire new shares. Due to laws and regulations in jurisdictions outside Switzerland, including the United States, the European Union (including its member states), Australia, Canada or Japan, shareholders in those jurisdictions may not be able to exercise their pre-emptive or preferential subscription rights unless Ina Holding takes action to register or otherwise qualify a respective rights offering under the laws of that jurisdiction. Especially U.S. holders of shares may not be able to exercise their rights unless a registration statement under the U.S. Securities Act is effective with respect to such rights and the related shares or an exemption from the registration requirement is available. Similar restrictions exist in certain other jurisdictions.

Ina Holding has not registered, and does not intend to register, its shares under the U.S. Securities Act or the laws of any other jurisdictions and no assurance can be given that an exemption from such registration requirements will be available to U.S. or other holders of the shares. To the extent that U.S. or other holders of the shares are not able to exercise their rights because no registration statement under the U.S. Securities Act or the laws of another jurisdiction is effective with respect to such rights and no exemption from the registration requirement is available, the rights will lapse without compensation and such shareholders' proportionate ownership and voting interest in Ina Holding will be diluted accordingly.



It may be difficult for prospective investors outside of Switzerland to serve process on or enforce foreign judgments against the Company in connection with the proposed merger

Ina Holding is incorporated in Switzerland. As a result, it may be difficult for prospective investors outside of Switzerland to serve process on or enforce foreign judgments against Ina Holding in connection with the proposed merger.

Shareholders may be subject to exchange rate risks

The shares of Ina Holding are quoted and traded in Swiss francs. In addition, any dividends or other distributions Ina Holding may pay will be declared and paid in Swiss francs. Accordingly, holders of shares of Ina Holding resident outside Switzerland are subject to risks arising from adverse movements in the value of their local currencies against the Swiss franc, which may reduce the value of the shares, as well as that of any dividends or other distributions paid.

As of the date of this shareholder information brochure, the EU Commission has not extended equivalence under MiFID II / MiFIR for Switzerland's stock exchanges. As a result, trading in the shares of Ina Holding outside of Switzerland could be impacted

On 3 January 2018, EU Directive 2014/65/EU ("MiFID II") and EU Regulation No 600/2014 ("MiFIR") were implemented in the EU with the aim to increase market transparency. Article 23 MiFIR introduced an obligation for European investment firms to trade shares on (i) a trading venue in the EU or (ii) an equivalent third-country trading venue. Importantly, this obligation covers all equity securities (i) admitted to trading on a regulated market or traded on a trading venue in the EU (this condition captures most of the equity securities listed on the SIX Swiss Exchange as such equity securities are often also admitted to trading on a regulated market or traded on a trading venue in the EU) and (ii) traded on such EU trading venues in a way that is not non-systematic, ad-hoc, irregular and infrequent. Therefore, Switzerland's stock exchanges require equivalent third-country status under MiFID II / MiFIR in order for EU trading participants to be able to directly access Swiss stock exchanges and trading venues for applicable equity securities. On 30 June 2019 the market equivalence for Switzerland's stock exchanges granted by the EU commission expired.

On 27 June 2019, the Swiss Federal Department of Finance ("**FDF**") announced that it was activating the measures adopted by the Swiss Federal Council pursuant to an ordinance enacted to protect the Swiss stock exchange infrastructure on 30 November 2018, called the "Ordinance on the Recognition of Foreign Trading Venues for the Trading of Equity Securities of Companies with Registered Office in Switzerland" (the "**Ordinance**"). As a result of these protective measures, with effect from 1 July 2019 trading venues in the EU are prohibited under Swiss law from offering or facilitating trading in equity securities (including shares) of companies with (i) registered offices in Switzerland where (ii) such equity securities are listed on a Swiss stock exchange or are traded on a Swiss trading venue (for the purpose of this risk factor, "Swiss issuers").

The Ordinance introduces a recognition obligation applicable to foreign trading venues if they admit equity securities to trading or permit trading in such equity securities of Swiss issuers. According to the Ordinance, FINMA will only grant recognition to such foreign trading venues if (i) it is subject to appropriate regulation and supervision and (ii) the jurisdiction, in which the foreign trading venue is registered, does not restrict market participants from trading the equity securities of Swiss issuers on trading venues in Switzerland and thereby significantly adversely affects the trading in such equity securities at Swiss trading venues. If these conditions are not met, the foreign trading venue will not be granted recognition by FINMA; consequently, these venues will not be allowed to offer trading in



the equity securities of Swiss issuers. On 27 June 2019, the FDF published an updated list of such jurisdictions that have not met the necessary conditions under the Ordinance. Currently, this list comprises only the member states of the EU, the result of which means that no recognition can be granted to EU trading venues effective 1 July 2019.

The intended effect of the Ordinance is that trading in the majority of equity securities of Swiss issuers will no longer occur on a regulated market or on a trading venue in the EU after 30 June 2019 (since such regulated markets or trading venues in the EU will not be granted recognition from FINMA). Thus, the share trading obligation and stock exchange equivalence of article 23 MiFIR, no longer applies to the equity securities of Swiss issuers. As a result, eligible EU market participants can continue to trade the shares of Swiss issuers on Swiss trading venues without breaching EU laws. The same would apply even if a certain trading volume with Swiss issuer equity securities remains on EU trading venues, so long as such trading occurs non-systemically, ad hoc, irregularly and infrequently. However, while the equity securities of Swiss issuers continue to trade on Swiss stock exchanges and trading venues, the volume of trading for certain equity securities of Swiss issuers on foreign trading venues (to the extent the equity securities are admitted to trading) could be impacted, which could affect the price of shares of such Swiss issuers. Provided that the Federal Council does not render the Ordinance ineffective earlier, the Ordinance remains in effect until 31 December 2025; thus, the long-term impact for Swiss issuers and Swiss capital markets as well remains uncertain until a solution on this topic can be reached with the EU Commission on this topic remain uncertain and lie outside of the control of the Group.