



# 2020 Business Results

Media and analysts' conference

26 February 2021

# Today's presenters



**Marc A. Pointet**

**Chief Executive Officer**

- Until beginning 2020, Head of Mobimo Suisse romande and Member of the Executive Board of Mobimo
- More than 15 years of real estate experience
- Master of Science in Architecture ETH and Executive MBA HSG



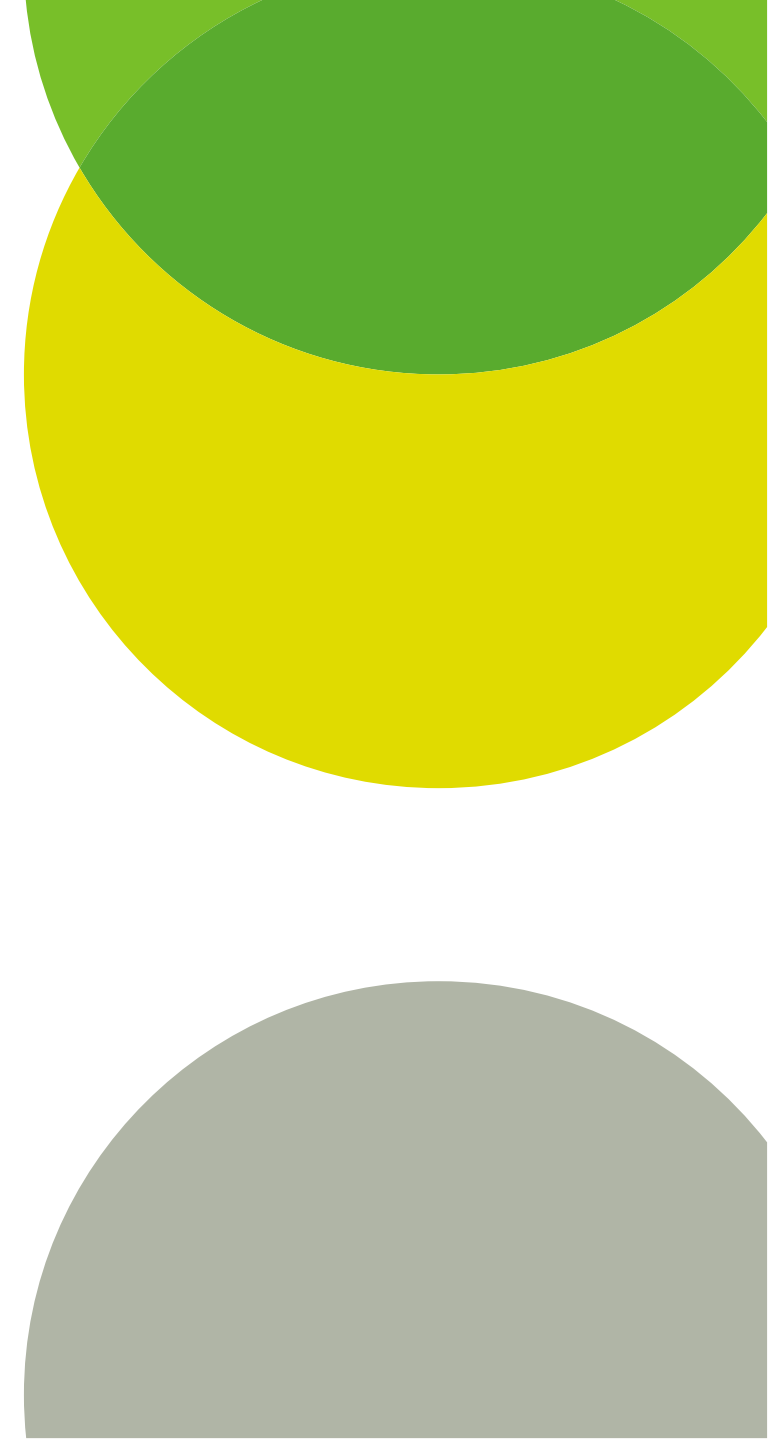
**Daniel Baumann**

**Business Partner Finance**

- With Implenia since June 2013
- Previously, Auditor at PwC
- Certified Public Accountant (CPA) / Eidg. dipl. Wirtschaftsprüfer
- Degree in Business Administration from the University of Applied Sciences Northwestern Switzerland

# Today's agenda

- 1 Highlights and real estate market • Marc Pointet
- 2 Key financial figures • Daniel Baumann
- 3 Real estate portfolio and pipeline • Marc Pointet
- 4 Outlook • Marc Pointet



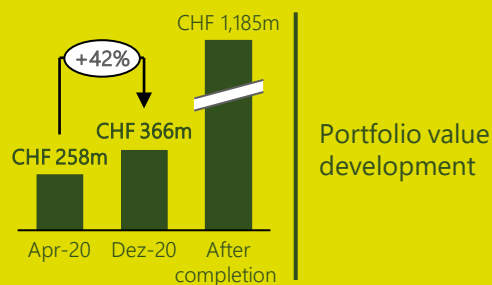
# Highlights and real estate market





# Highlights

## Portfolio development



## Sales success

Kick-off  
**condominium**  
**unit sale** of  
Lokstadt  
Tender

- Launch in Sep-20
- 25/39 units already reserved, representing approx. 70% of the total market value as of today<sup>1</sup>

## Occupancy rate

Successfully  
**signed 100%**  
**of the space** in  
Project Elefant  
& Allschwil

### Elefant:

- 100% signed
- Start of construction in Sep-20

### Allschwil:

- 100% signed
- Start of construction in Oct-21

## Financial KPIs

**CHF 9,63m**

Net revaluation gain  
FY 2020

**CHF 5,33m**

EBIT  
FY 2020

**CHF 3,86m**

Net income  
FY 2020

## Acquisitions

**2 fully let,**  
**properties in**  
**Geneva**, one  
with great  
development  
potential



**2,600 sqm**  
office space at  
top location in  
Lancy



**4,400 sqm**  
residential &  
office space at  
top location in  
Geneva

## Development updates

Onex –  
**Approved**  
**zoning plan**

- 215 rental flats, 1,500 sqm office space & a grocery shop

Baar –  
**Successful**  
**referendum**

- Area development with mixed use
- Design competition launched

# Favorable Swiss real estate development market

## Real estate provides stability in uncertain times

- Real estate has shown to be a favourable asset in times of economic uncertainty and has been less affected by the observed volatility with stock market investors looking for less volatile investments
- The stability of cash flows makes real estate a highly attractive asset in comparison leading to a strong observed performance

## Low interest rate environment is expected to continue

- Negative interest rates are a dominant theme in the markets and are most likely to persist during the COVID-19 crisis and beyond leading to lower mortgage costs and a continuing search for yield in the markets
- This trend is thus likely to further propel the uptrend observed in the real estate market

## Positive market environment

- Switzerland remains an attractive location for investment with economic recovery expected to set in
- Whilst the long-term effects of the pandemic are difficult to assess, it is likely for interest rates to remain low and for real estate to stay a highly attractive market amidst the general uncertainty

## Interest rate environment



## Real estate vs. broader market comparison



# Residential (condominiums & rent): Several factors support price level

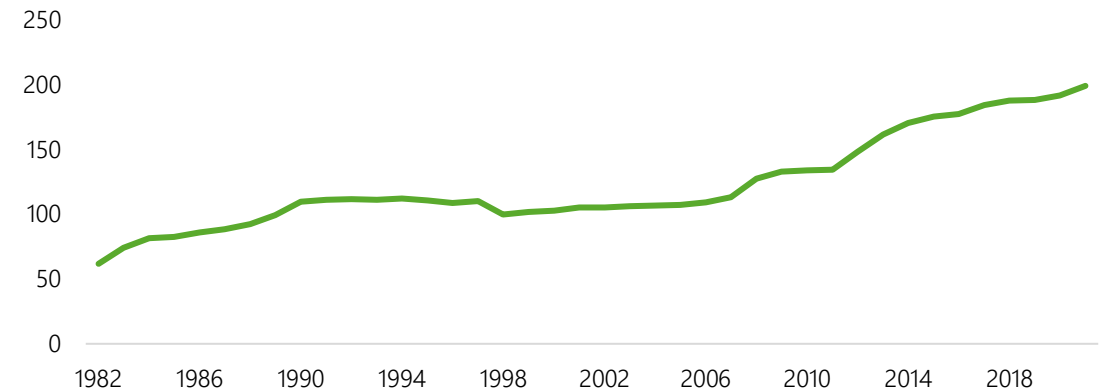
## Stable trends towards increased ownership

- The shift towards home-office and an increased focus on living spaces as well as quality-of-life improvements support the strong demand for condominiums
- Prices have shown a steady increase and have hit new highs amidst the pandemic showing the strength of the trend of increased ownership which is especially reflected in the mid- and lower price segments
- However, the supply is not increasing proportionally with a lot of investors shifting towards rental apartments due to long-term investment pressure
- In comparison to other European countries, Switzerland still exhibits a low share of homeownership offering further market potential to investors

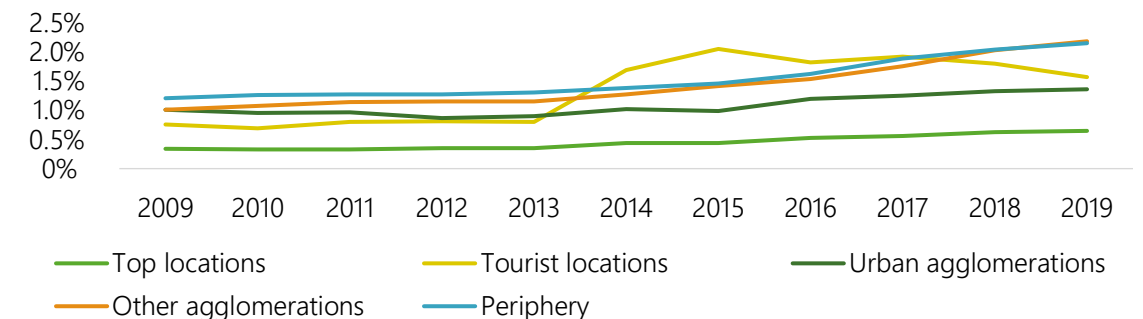
## Regional differences in rental apartment market

- The strong increase of rental apartment supply is likely to exceed demand leading to more vacancies – however, this mainly applies to less attractive locations with top locations still experiencing high demand which is expected to persist
- Projects in the rental apartment space thus offer vast opportunities to players in the market emphasising location selection as well as well-structured floor plans and rents in top locations such as Zurich, Geneva and Basel Stadt are expected to outperform

## Condominium price development across Switzerland



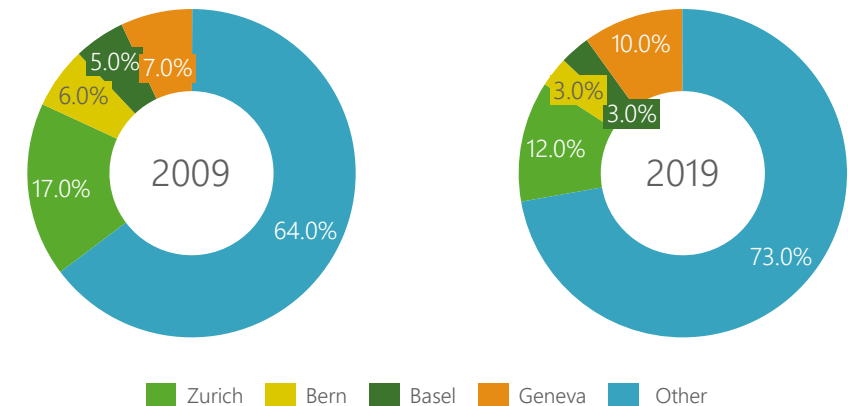
## Vacancies in function of urban typology in % of stock



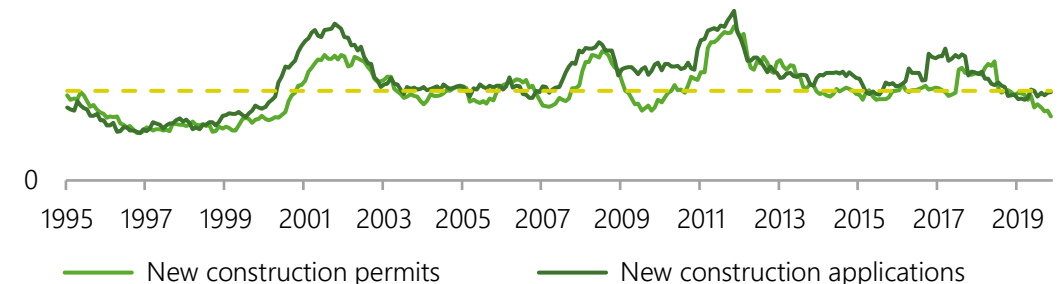
# Office/commercial space: Gap remains between center and periphery

- The market is challenging with vacancies rising due to a shift in demand and requirements, hybrid work models are becoming a likely post-pandemic outcome leading to a shift in requirements to office spaces
- This mainly concerns peripheral locations in contrast to top-tier locations and urban agglomerations with good transport links and this divergence is expected to become more pronounced and reflected in rents and vacancies
- However, on the supply side the number of newly planned spaces has decreased, and a large share of construction projects are focused on replacement buildings rather than the construction of additional spaces
- As the retail sector has been heavily affected by the pandemic and had already felt increased pressure due to a shift in consumer behaviour, retail store spaces are likely to further decrease in attractiveness due to a challenging environment with rents expected to decrease in 2021
- In contrast, urban and semi-urban logistics spaces have experienced increased demand
- Hotel occupancy rate expected to improve significantly after corona

## Share of cities for vacant office spaces



## Number of building permits for office space





Key financial figures



Key financial figures FY2020

# Key figures income statement

For the period from 1 April to 31 December  
in CHF thousands

	2020
Rental income from properties	791
Income from the sale of promotional properties	1,399
<b>Operating income</b>	<b>2,190</b>
Profits from revaluation of investment properties	13,198
Losses from revaluation of investment properties	(3,565)
<b>Result form revaluation of investment properties</b>	<b>9,633</b>
Direct rental expenses	(69)
Direct expenses from the sale of promotional properties	(1,219)
Other direct operating expenses	(808)
<b>Direct operating expenses</b>	<b>(2,096)</b>
Personnel expenses	(789)
Other operating expenses	(3,604)
<b>Operating expenses</b>	<b>(6,489)</b>
<b>Operating result (EBIT)</b>	<b>5,334</b>
Financial expenses	(736)
<b>Earnings before income taxes</b>	<b>4,598</b>
Income taxes	(740)
<b>Profit</b>	<b>3,858</b>

## First year of operations closing with a strong result:

### Income side:

- CHF 0.8m rental income  
(run-rate rental income of >CHF2m per year)
- CHF 1.4m income from the sale of condominium units
- CHF 9.6m result on revaluation of investment properties

### Cost side:

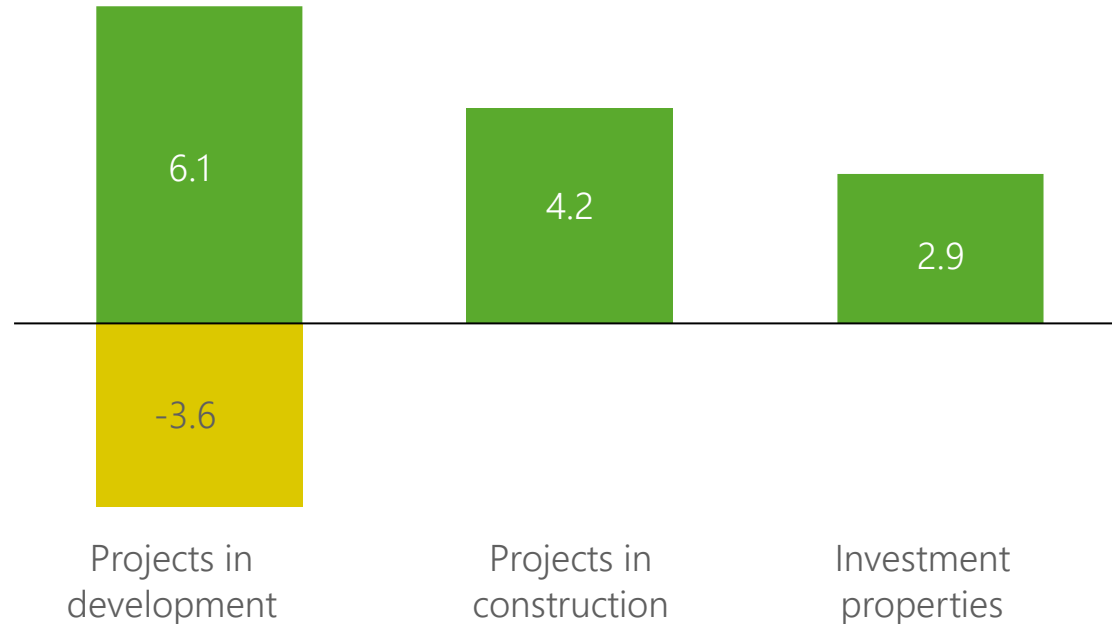
- Operating expenses in 2020 were affected by one-time capital increase costs such as legal advisory expenses, expenses for project management and project support by external service providers

**....leads to a very strong operating result of CHF 5.3m and CHF 3.9m profit**

# Net revaluation results 01.04.2020-31.12.2020

In CHFm

**Σ CHF 9.6m net valuation gain**



■ Revaluation gain  
■ Revaluation loss

## Strong revaluation results mainly thanks to:

- Successful and continuous development of projects (timeline, milestones etc.)
- Successful acquisitions
- Quality and balance of the portfolio
- Favorable Swiss real estate development marked

## Project in development:

- + Baar Unterfeld, Winterthur Rocket, Onex Les Tattes, Zürich Schaffhauserstrasse, Neuchatel Tivoli B4
- Winterthur Bestandeshallen, Winterthur KIM, Onex Ch. Echo, Neuchatel Tivoli B2

## Project in construction:

- + Winterthur Elefant, Allschwil Baselink

## Investment properties:

- + Lancy Ch. d. Olliquettes, Genève Rue du Valais

# Key figures balance sheet 1/2

in CHF thousands	31.12.2020	01.04.2020
<b>Assets</b>		
Cash and cash equivalents	14,118	1,202
Trade accounts receivable	453	-
Other current receivables	1,174	-
Promotional properties	76,000	70,550
Accrued income and prepaid expenses	1,295	-
<b>Total current assets</b>	<b>93,040</b>	<b>71,752</b>
Investment properties	268,928	159,771
Intangible assets	21,176	27,404
Other non-current receivables	1,044	-
<b>Total non-current assets</b>	<b>291,148</b>	<b>187,175</b>
<b>Total assets</b>	<b>384,188</b>	<b>258,927</b>

## Cash:

- Proceeds from capital increase has been invested in acquisition and running projects (as at Dec-20 not used credit limits of CHF 85.6m)

## Promotional properties:

- Include condominium projects, measured at the lower of acquisition cost and fair value
- Net Increase 2020 based on investments minus sales

## Investment properties:

- Investment properties to be held, measured at fair value based on Wüest Partner Ltd valuations
- Increase 2020 based on investments and revaluation effects

## Intangible Assets:

- Dec-20 include the purchase rights for the land in Préverenges, recognised at acquisition costs
- Decrease 2020 mainly due to the exercise of the purchase rights Schaffhauserstrasse and Tivoli



## Key financial figures

# Key figures balance sheet 2/2

in CHF thousands	31.12.2020	01.04.2020
<b>Liabilities and equity</b>		
Current financial liabilities	-	20,000
Trade accounts payable	56	-
Advance payments for promotional properties	460	-
Other short-term liabilities	108	-
Accrued expenses and deferred income	1,439	34,398
<b>Total current liabilities</b>	<b>2,063</b>	<b>54,398</b>
Deferred tax liabilities	39,496	39,208
Other non-current liabilities	4,430	-
Non-current provisions	610	-
<b>Total non-current liabilities</b>	<b>44,536</b>	<b>39,208</b>
<b>Total liabilities</b>	<b>46,599</b>	<b>93,605</b>
Share capital	266	111
Capital reserves	192,541	82,715
Treasury shares	(165)	-
Retained earnings	1,394	-
<b>Equity attributable to shareholders of Ina Invest Holding Ltd</b>	<b>194,036</b>	<b>82,826</b>
Minority interests	143,553	82,496
<b>Total equity</b>	<b>337,589</b>	<b>165,322</b>
<b>Total liabilities and equity</b>	<b>384,188</b>	<b>258,927</b>

### Total current Liabilities

- In the course of Ina Invest Ltd's capital increase, Implen's loan and accrued expenses was converted into equity in Ina Invest Ltd.

### Deferred tax liabilities:

- Calculated based on the temporary differences between Swiss GAAP FER balance sheet items and the values indicated in the tax balance sheet

### Other non-current liabilities:

- Payables from performance-based development fee and payables from development costs for properties

### Equity:

- as of Dec-20 the Ina's real estate portfolio is financed 100% through equity
- Increase 2020 based on capital increase of 12 June 2020

### Financing:

- In 2020 Ina Invest has concluded the first two credit agreements on the properties Elefant and Schaffhauserstrasse. Credit volume of CHF 85.6m has not been used as at Dec 20.



Real estate portfolio  
and pipeline



# Portfolio development

in CHF thousands	31.12.2020	01.04.2020
Properties under development	144,470	159,771
Property under construction	62,767	-
Portfolio properties	52,374	-
Cumulative revaluations	9,317	-
<b>Total investment properties</b>	<b>268,928</b>	<b>159,771</b>
Promotional properties	76,000	70,550
Intangible assets	21,176	27,404
<b>Total portfolio value</b>	<b>366,104</b>	<b>257,725</b>

- From Apr-20 to Dec-20, the total portfolio value increased by 42% from CHF 258m to CHF 366m
- The increase was mainly due to operational actions





## New acquisitions



Acquisition of two fully let properties at top locations in Geneva (with great development potential) and Lancy

### Rue du Valais, Geneva

#### Offers great development potential

- Currently used exclusively for offices, the plan is to repurpose and extend the building for mixed usage, including residential units
- Within walking distance of Geneva Cornavin train station, the building will offer state-of-the-art small apartments with parking spaces for electric bicycles
- The decision not to have car parking spaces underlines Ina Invest's strategy of investing in town centre locations and positioning them sustainably



**The 2  
properties  
generate rental  
income of  
more than  
CHF 2m a year**

### Chemin des Olliquettes, Lancy

#### Generating rental income from day 1

- In a few years, and with a small amount of conversion work, the building at Chemin des Olliquettes 10 in Lancy, which is currently occupied by a single tenant, should be converted to multi-tenant use
- The building is built in Minergie-Standard and underlines Ina Invest's strategy of investing in sustainable objects only





# Project at a glance: Rue du Valais

Top location in the heart of the city of Geneva near Cornavin train station



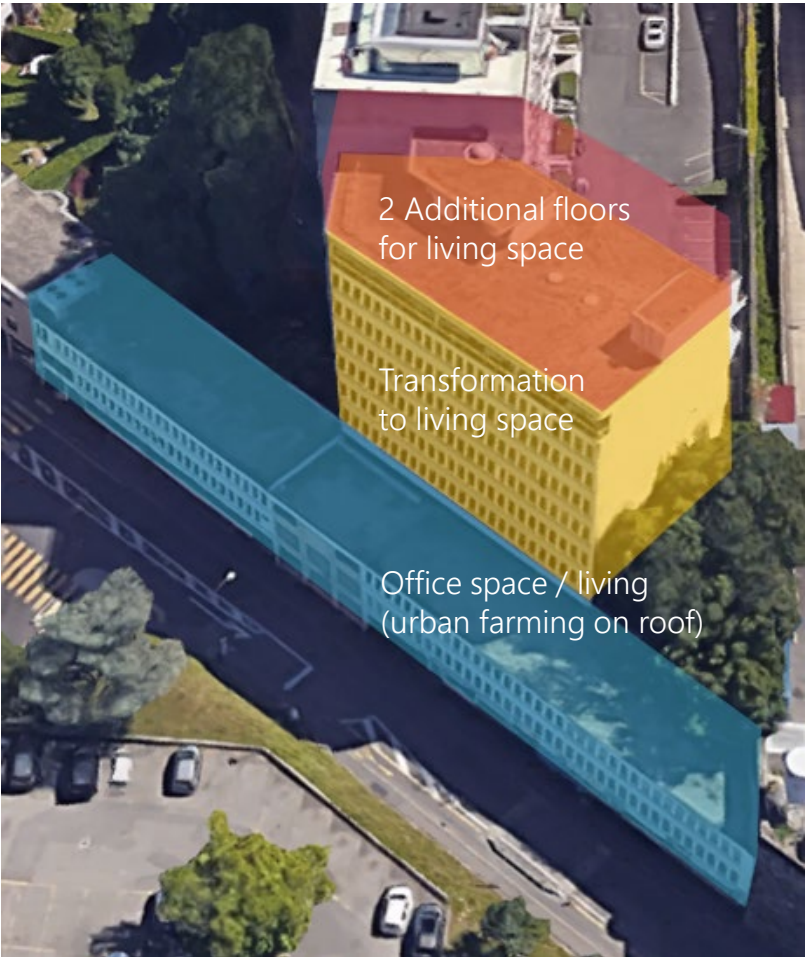
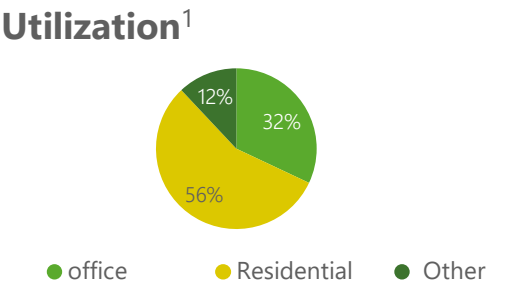
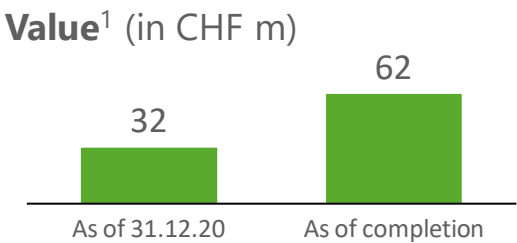
- 10min walk to main train station Cornavin
- 400m of the lake of Geneva
- 1min walk from tramway
- 800m from «Nations»



# Project at a glance: Rue du Valais



<b>Address:</b>	Rue du Valais 5-11, 1202 Genève
<b>Property area / Floor space<sup>1</sup>:</b>	1032sqm / 4429sqm
<b>Capex:</b>	CHF 23m
<b>Discount rate real / nominal:</b>	2.6% / 3.1%
<b>Gross yield<sup>1</sup>:</b>	3.8%
<b>Status:</b>	Acquired – planning phase
<b>Highlight:</b>	Top location in the City of Geneva with excellent location ratings



<sup>1</sup> Based on Wüest Partner valuation as of 12 January 2021. The value as of completion and gross yield refer to the date when steady-state vacancy rate is achieved and may not correspond to the indicative construction completion date; utilization split refers to post completion plan



# Project Rue du Valais: Coworking & Living

## Coworking

- Modern coworking spaces with modular office spaces targeting creative entrepreneurs and specialists
- Client life-cycle: independent workers, start-ups and micro-enterprises
- Aimed at serving the demand for coworking spaces with a concept targeted at a synergy between coworking and co-living



**Combining  
future  
trends at  
Rue du  
Valais**

## Micro-living

- Modern, well-furnished living spaces aimed at the upper urban class and particularly young singles under the age of 35
- Studios and small apartments with sizes varying from 1 – 2.5 rooms with an average net rent of CHF 647-767 /sqm per year



# Portfolio overview

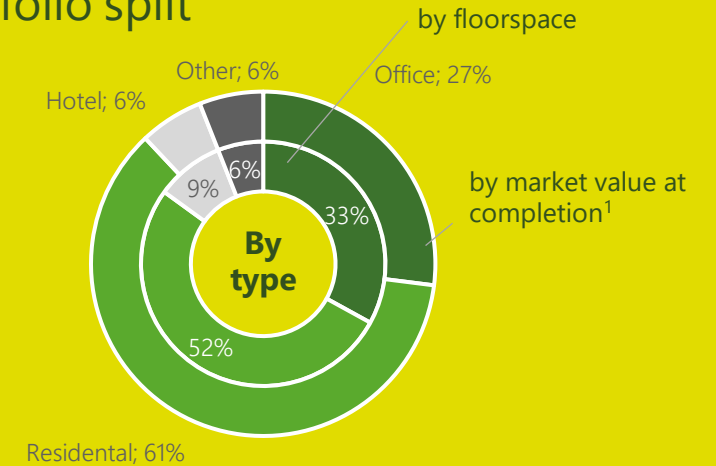
## Portfolio key figures

<b>CHF 366m</b>	Market value Dec-20 <sup>1</sup>
<b>CHF 1,185m</b>	Market value after completion
<b>~125,000sqm</b>	Floor space at completion

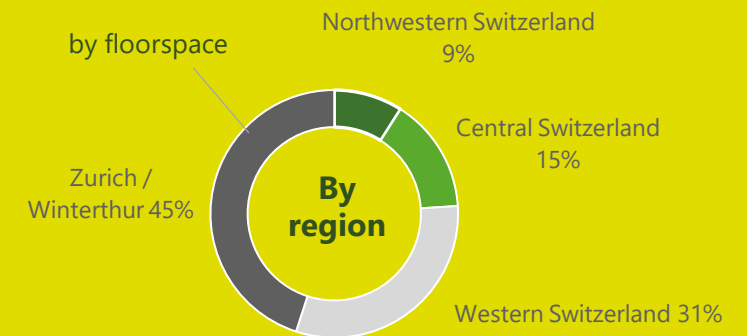
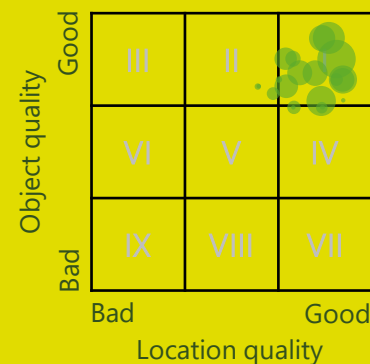
## Portfolio locations



## Portfolio split



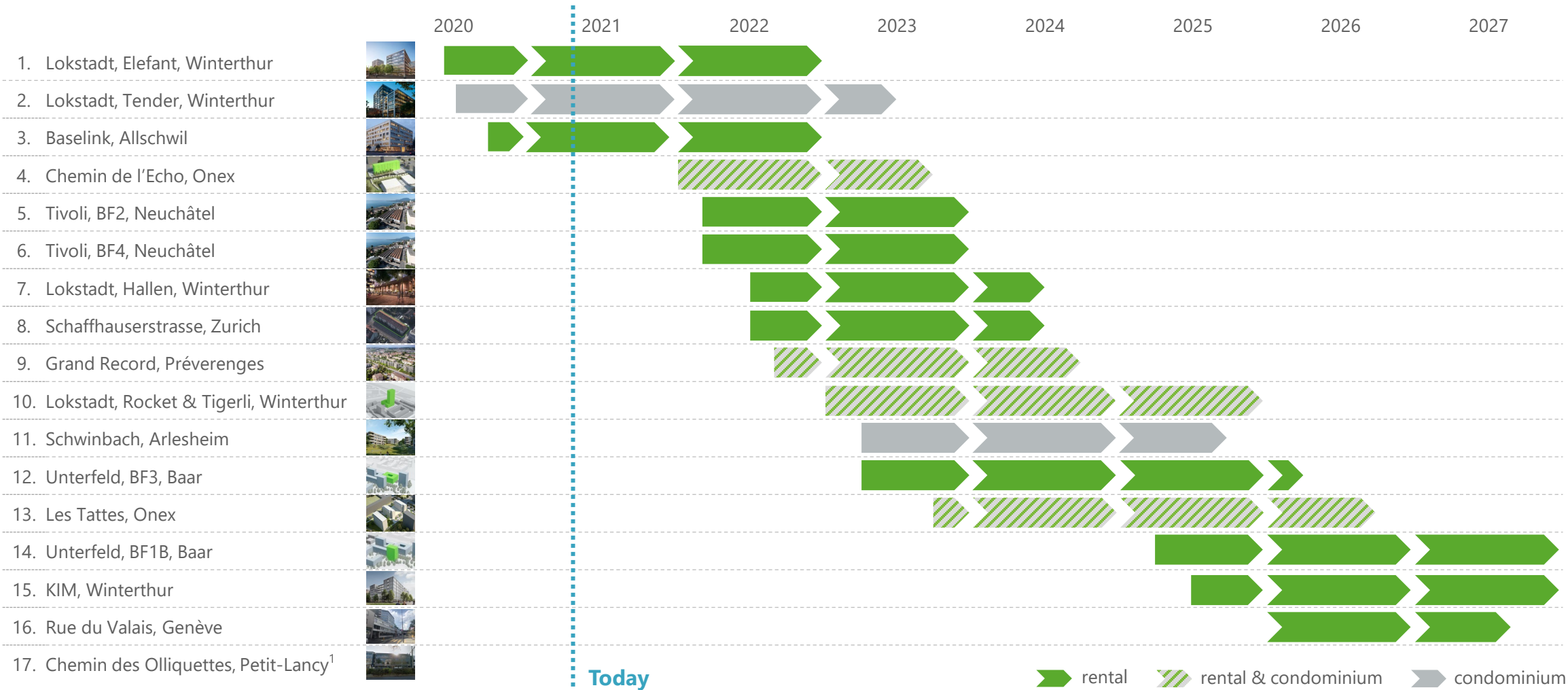
## Quality level<sup>2</sup>



<sup>1</sup> Wüest Partner valuation, market value 31 December 2020 incl. adjustments for Bestandeshallen

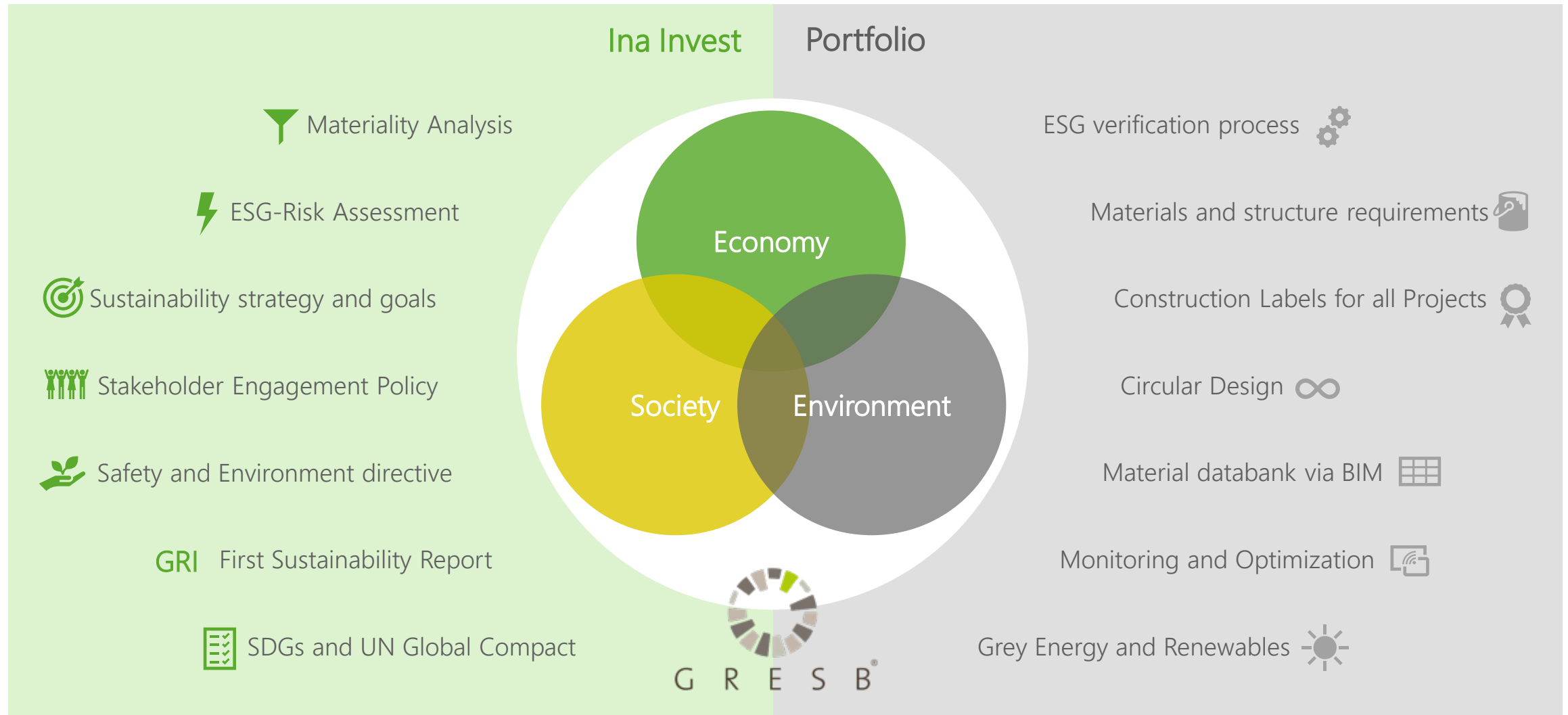
<sup>2</sup> Wüest Partner valuation (rating factors: Macro location, Micro location, Utilization (floor plan quality, flexibility, parking), Standard (room conditions, materialization, technology), Condition (exterior shell, interiors, house technology), quality score: 5=highest quality level, 1=lowest quality level).

# Overview of portfolio execution timeline



Note: Illustrative timeline, does not reflect precisely the beginning and end of project execution.  
1 Investment property only, no major renovation planned as if today

# Sustainability @ Ina Invest





A man with short, graying hair and a light beard is shown in profile, smiling broadly. He is wearing a dark blue suit jacket over a white collared shirt. He is standing next to a large window that offers a view of a city with red-tiled roofs. To the left of the man is a lush green vertical garden. The word "Outlook" is written in white text on the left side of the image.

Outlook



# Financial outlook

## Ina Invest mid-term steady-state targets

	Growth phase (2021 – 2022)	Development phase 2023 onwards <sup>2</sup>
Gross asset value investment properties	>CHF 0.6bn (2022)	~CHF 2.0bn (2027)
Return on equity <sup>1</sup>	~3%	~6-8%
LTV	Financing from condo unit sales and growing LTV ratio	55-65% (depending on future market situation)
Dividend	No dividends paid out in 2020	In line with broader Swiss real estate market

Note: Information on this slide constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and our actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Company can give no assurance that the targets described above will materialize or prove to be correct. Because these are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those described above.

<sup>1</sup> Return on equity excluding transaction costs.

<sup>2</sup> Includes the development of the transferred portfolio (starting portfolio) and the development of additional land acquisitions.

## Financial calendar

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**31<sup>st</sup> of March 2021**

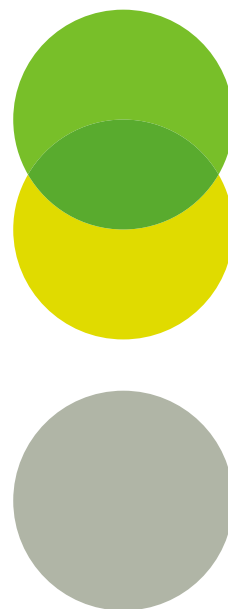
Annual General Meeting

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**13<sup>th</sup> of August 2021**

Publication half-year results 2021

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## Contacts

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[ina-invest.com](http://ina-invest.com)

# Appendix



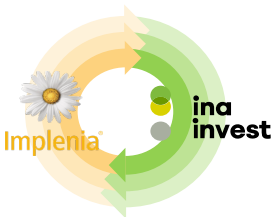
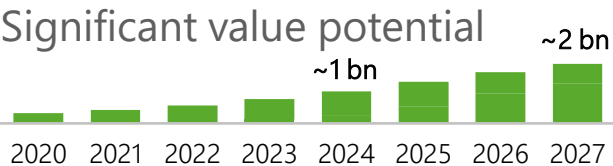
# Ina Invest – a unique proposition in the Swiss real estate industry



Portfolio value  
**CHF 366m**



Ø return on equity after ramp-up  
**+ 6-8%**

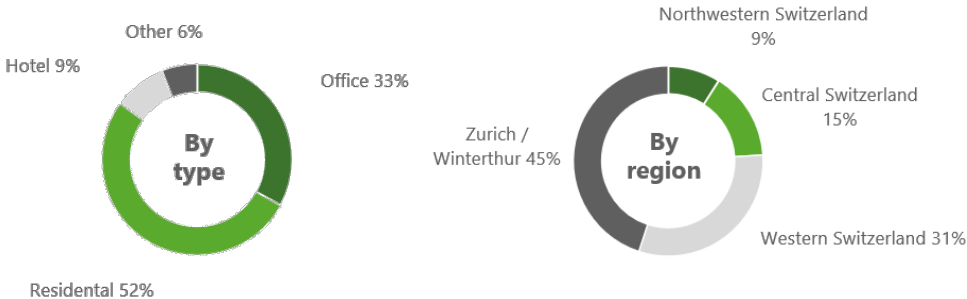


Close collaboration  
with Implenia

One of **Switzerland's most sustainable** real estate portfolios



## Top quality and diversified portfolio<sup>1,2</sup>



## 5 Values

