

Annual Report 2020

Note:

Ina Invest primarily publishes and communicates digitally. Read our [Annual Report 2020](#) online.



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The year 2020

Overview of key figures

Financial figures

Profit/loss from leased property CHFT	722
Profit/loss from sale of promotional property CHFT	180
Profit/loss from re-evaluation of investment property CHFT	9,633
Operating profit (EBIT) CHFT	5,334
Earnings CHFT	3,858
Total assets CHFT	384,188
Equity CHFT	337,589
Equity ratio %	87.87
Return on equity % 1)	1.14

Figures – Shares

Earnings per share (EPS) CHF	0.19
Equity per share (NAV) CHF	21.91
Equity per share (NAV) before deducting deferred tax CHF	24.47
Share price on reporting date CHF	19.50
Market capitalisation on reporting date CHFT	172,898

Investment property Portfolio property

No. of commercial properties	2
Market value of investment property CHFT	55,270
Leasable space m ²	4,543
Return on leased investment property CHFT	624
Vacancy rate for investment property %	1.40
Direct expenses for leased investment property CHFT	51
Gross return on investment property % 2)	4.52

Investment property under construction

No. of investment properties	2
Market value of investment property CHFT	66,925
Planned leasable space m ²	21,575
Estimated investment volume of investment property CHFT	87,699

Investment property under development

No. of investment properties under development	11
Market value of investment property under development CHFT	146,733
Planned leasable space (approx.) m ²	93,701

Promotional property

Carrying amount of promotional property CHFT	76,000
Carrying amount of promotional property under construction CHFT	22,370
Estimated investment volume of promotional property under construction CHFT	27,884

Key:

(1) earnings/equity on balance sheet date

(2) annualised



Letter to the Shareholders

Dear Shareholders

We are pleased to present the first annual report for Ina Invest. In line with our commitment to sustainability, we have chosen only to produce a digital version – and to focus on the essentials.

Ina Invest's first year: positive performance in a dynamic market environment

2020 was dominated by the coronavirus pandemic. The establishment of a new real estate company in this dynamic market environment was a challenge. However, it offers significant opportunities.

There is still strong demand for investments in sustainable real estate investments in key Swiss economic areas. Interest rates are low and the Purchasing Managers' Index (PMI) points to a recovery in industry. The slight increase in the debt ratio in Switzerland during the pandemic is, historically speaking, low compared with other countries.

The positive performance achieved by the [portfolio](#) shows that our [investment strategy](#) is correct. It envisages using 50% of the portfolio for residential investments and investing solely in urban areas. Thanks to a well-diversified portfolio, Ina Invest is also well equipped to cope with long-term effects on the commercial real estate sector and is very soundly positioned.

We will continue to align our attractive portfolio consistently with the future needs of the market and develop it accordingly. This will result in sustainable, high-quality spaces for people to live, work and spend time in at excellent locations. Ina Invest is therefore making it easier for different generations from a variety of social backgrounds to achieve an environmentally conscious coexistence.

Successful business performance: first acquisitions made, project developments on track

Within the Board of Directors, efficient working relationships have been established based on trust. The strategic partnership with Implenía has also proved its worth on numerous occasions already.

In the first few months, we announced a significantly successful acquisition in Geneva worth over CHF 50 million. Working together closely, Ina Invest and Implenía will transform an existing commercial property, generating existing rental income, into a forward-looking hybrid residential property at this site. In the near future, this will allow us to exploit the full potential of the location in the vicinity of Cornavin station.

Current project developments are on track: the Unterfeld development plan in Baar was accepted by a large majority of the electorate and the urban competition launched. The design plan for both projects in Onex has been approved and the next phase can start here.

Meanwhile, we have achieved a significant marketing success with the "Tender" complex at the Lokstadt site in Winterthur. Two-thirds of the 39 shell apartments have been reserved; the first sales were completed in December 2020. This means three of our projects are being executed, including the "Elefant" at the Lokstadt site and the hotel on the BaselLink site in Allschwil – both investment properties that were fully let before construction even started.



These benefits from acquisition, development, sales, letting and completion have already made a crucial contribution to the positive annual result in the first financial year. Finally, we concluded the first project financing with banks on attractive terms for ongoing developments. We shall make further acquisitions in 2021 in line with our business plan.

Outlook: sustainability is part of our DNA and is firmly established in our day-to-day operations

For the current financial year, we expect the economy as a whole to recover. The world of work will increasingly grapple with new models and forms of work and collaboration.

This will have an impact on the future design of spaces to work, live and spend time. Looming structural change will increasingly demand hybrid neighbourhoods and buildings that adapt flexibly to changes in their users' needs. This is why Ina Invest consistently puts people at the forefront.

We will also continue to work intensively on making our vision of the most sustainable Swiss real estate portfolio a reality. Focusing on the first GRESB benchmark analysis, we shall drive implementation of our sustainability strategy forward in 2021. In doing so, we see sustainability as not only an economic, environmental and social necessity but also as a driver of innovation and a key distinguishing feature of our portfolio: sustainability is part of our DNA and is firmly established in our day-to-day operations.

We would like to thank all our shareholders for their trust and our partners for their excellent cooperation.

26 February 2021

Stefan Mächler

Präsident des Verwaltungsrats

Marc Pointet

Chief Executive Officer



Corporate Governance

In accordance with SIX Swiss Exchange Ltd's Directive on Information relating to Corporate Governance of 20 June 2019, in force since 2 January 2020 (Directive on Corporate Governance, "DCG"), this chapter describes the main structural and organisational principles of the Ina Invest Holding Ltd (**Ina Invest**), to the extent that they directly or indirectly concern the interests of the shareholders and other stakeholders. Unless specified otherwise, the information is provided as of the balance sheet date (31 December 2020).

The structure and numbering of the chapter correspond to those of the Annex to the Corporate Governance Guideline. The information about compensation, shareholdings and loans is summarised in the Compensation Report. The principles and rules of Ina Invest's Corporate Governance are expressed in its organisational regulations. The Code of Conduct establishes the guidelines for the applicable business practices and proper conduct, which are binding on all Ina Invest Group employees.

The [Articles of Association](#) of 11 June 2020 applicable as of the balance sheet date of the reporting year (hereinafter "Articles of Association" or "AoA"), and the [Organisational Regulations](#) of 11 June 2020 applicable as of the balance sheet date of the reporting year (hereinafter "Ina Invest OR"), as well as the [Code of Conduct](#), are available on Ina Invest's website.



1 Group structure and shareholders

1.1 Group structure

Ina Invest is a Swiss real estate firm covering the entire value-creation chain for properties, from procurement and acquisition to project development and implementation and on to real estate rental and administration. Ina Invest originated as a spin-off of Implenla Ltd and has been independent ever since its IPO on 12 June 2020. The Ina Invest Group consists of the parent company Ina Invest Holding Ltd and the direct subsidiary Ina Invest Ltd. The Group's Board of Directors has five members and the Executive Management has a single member, the CEO, who is simultaneously the CEO of Ina Invest Ltd.

Ina Invest Holding Ltd with registered office in the city of Zurich, canton of Zurich, has been listed on SIX Swiss Exchange AG since 12 June 2020 (valor number: 52 402 695, ISIN: CH0524026959CHF4, valor symbol: INA). It holds no shares in listed companies within its scope of consolidation. As of 31 December 2020, the market capitalisation of Ina Invest Holding Ltd amounted to CHF 172.9 million.

The consolidated group includes Ina Invest Ltd, with registered office in Zurich and share capital of CHF 202,000.00. As of 31 December 2020, Ina Invest Holding Ltd held a 57.5% stake in Ina Invest Ltd. The minority shareholder of Ina Invest Ltd is Implenla Ltd, with a 42.5% stake.

1.2 Major shareholders

Shareholders of an entity listed in Switzerland who, based on their interest in the share capital, reach, exceed or fall below certain threshold values of voting rights, have reporting and disclosure obligations according to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA). According to the disclosure reports of SIX Swiss Exchange Ltd and the share register, the shareholders listed below held a stake of more than 3% of the share capital and voting rights of Ina Invest Holding Ltd as of 31 December 2020.

Significant shareholders		
Shareholder's name		Shareholdings
Max Rössler / Parmino Holding AG		16.56%
Swiss Life Holding AG		15.09%
Norbert Ketterer		12.52%
Rudolf Maag		5.41%
CACEIS (Switzerland) SA		5.06%

All reports concerning the disclosure of shareholdings under Art. 120 FMIA, which were published in the reporting year and since 1 January 2021, are available on the website of the [Disclosure Office of SIX Swiss Exchange Ltd.](#)

1.3 Cross-shareholdings

There are no cross-shareholdings.



2 Capital structure

2.1 Capital

The share capital of Ina Invest Holding Ltd as of 31 December 2020 amounted to CHF 265,996.80, divided into 8,866,560 fully paid-up registered shares with a nominal value of CHF 0.03 each. In addition, as of the balance sheet date, Ina Invest Holding Ltd held conditional capital of CHF 13,299.84 and authorised capital of CHF 53,199.36. Relying on the conditional and authorised capital, the share capital can be increased by a total of CHF 66,499.20 under the conditions established in Art. 3a and 3b of the Articles of Association.

2.2 Conditional and authorised capital in particular

Conditional capital (Art. 3b of the Articles of Association)

The conditional capital may amount to a maximum of CHF 13,299.84, accounting for 5% of the existing share capital. The increase out of conditional capital would be based on issuing up to 443,328 registered shares with a nominal value of CHF 0.03 each, to be fully paid up, accompanied by the exercise of option rights granted to the employees or board members of Ina Invest Holding Ltd or of group companies. The subscription right of the shareholders is excluded. The holders of the option rights at the time of issue are entitled to subscribe to the new shares. The terms and conditions of options shall be determined by the Board of Directors (Art. 3b (1) of the Articles of Association).

No increase out of conditional capital was performed in the reporting year. For further information about option rights and the associated terms and conditions, see Art. 3b of the [Articles of Association](#).

Authorised capital (Art. 3a of the Articles of Association)

The Board of Directors is entitled to increase the share capital by a maximum amount of CHF 53,199.36 by no later than 2 June 2022 by issuing up to 1,773,312 registered shares with a nominal value of CHF 0.03 each. The share capital may be increased by increments (Art. 3a (1) of the Articles of Association).

The Board of Directors shall determine the amount issued, the type of contributions, the date of issue, the conditions of exercise of the rights and when the shares become dividend-bearing. The Board of Directors may issue new registered shares by means of a firm underwriting by a Bank or other third party followed by an offering to the previous shareholders. The Board of Directors is entitled to restrict or prohibit the trading of subscription rights. The Board of Directors may allow unexercised subscription rights to lapse or place such unexercised rights or the registered shares for which they were granted for sale on standard market terms or otherwise use such rights or shares to the benefit of the Company (Art. 3a (3) of the Articles of Association).

The Board of Directors is entitled to revoke or restrict the shareholders' subscription rights for up to 886,656 registered shares, to be fully paid up, and allocate them to certain shareholders or third parties in case the shares are used to acquire companies holding real estate development land, building projects or rental properties, or to invest in such companies or to finance or refinance such transactions



(Art. 3a (4)(a) of the Articles of Association), to invest in strategic partners (Art. 3a (4)(b) of the Articles of Association) or in the event of a national or international offering (including private placement) of registered shares on standard market terms (Art. 3a (4)(c) of the Articles of Association). The subscription and acquisition of new registered shares and each further conveyance of the registered shares is also subject to the restrictions under Art. 5 of the Articles of Association (Art. 3a (2) of the Articles of Association).

2.3 Shares and participation certificates

The share capital as of 31 December 2020 is divided into 8,866,560 fully paid-up registered shares with a nominal value of CHF 0.03 each. Subject to Art. 5 of the Articles of Association, each share shall carry the right to one vote. There are no voting right shares or other shares with preferential rights. All registered shares are entitled to dividends, except for the treasury shares held by Ina Invest Holding Ltd.

Ina Invest Holding Ltd has not issued any participation certificates.

2.4 Dividend-rights certificates

Ina Invest Holding Ltd has not issued any dividend-rights certificates.

2.5 Restrictions on transferability and nominee registrations

2.5.1 *Restrictions on transferability*

There is no percentage clause under the Articles of Association that would enable any limitations on transferability of shares of Ina Invest Holding Ltd within the meaning of Art. 685d (1) of the Swiss Code of Obligations. According to Art. 5 (4)(a) and (b) of the Articles of Association, the Board of Directors can refuse to register a holder of registered shares as a shareholder with voting rights if (i) he fails to prove, at the request of Ina Invest Holding Ltd, that he acquired and held the shares in his own name and for his own account (Art. 5 (4)(a) of the Articles of Association), or (ii) his recognition as a shareholder prevents or could prevent Ina Invest Holding Ltd and/or its subsidiaries, according to the information available to Ina Invest Holding Ltd, from supplying legally required proof of the composition of the set of shareholders and/or of the beneficial owners of the shares (Art. 5 (4)(b) of the Articles of Association). Since Ina Invest Holding Ltd is in the real estate business, Ina Invest Holding Ltd must refuse to register persons abroad as defined by the Swiss Federal Act on the Acquisition of Real Estate by persons Abroad (Koller Act) if doing so might jeopardise the ability to prove that the Company and/or its subsidiaries are under Swiss control.

The implementing provisions for Art. 5 (4)(b) of the Articles of Association are found in the [Regulations on Registration of Registered Shares and Keeping of the Share Register of Ina Invest Holding Ltd](#) of 11 June 2020 (hereinafter "Registration Regulations").

According to section 5 of the Registration Regulations, the Board of Directors shall register a foreign shareholder in the Share Register as a shareholder with voting rights if:



- i. the foreign shareholder meets the requirements applicable to all shareholders (sections 2 to 4 of the Registration Regulations);
- ii. the total number of the registered voting shares of foreign shareholders (including the shares of the foreign shareholder in question), does not exceed the threshold of 20% of the total number of registered voting shares of all shareholders; and
- iii. the number of registered voting shares held by the foreign shareholder in question does not exceed the threshold of 10% of the total number of registered voting shares of all shareholders.

Whenever the above thresholds are exceeded, foreign shareholders shall not be registered unless the authorising authority for the location of Ina Invest Holding Ltd's registered office issues a certificate confirming that Ina Invest Holding Ltd and its subsidiaries will not be considered to be under foreign control even after the additional foreign shareholder is registered in the share register. A "foreign shareholder" means any shareholder who is a person abroad within the meaning of Art. 5d in conjunction with Art. 6 of the Koller Act. Foreign shareholders within the meaning of that provision also include nominees (trustees) who have not disclosed the shareholders they represent.

2.5.2 Granting of exceptions

No exceptions were granted in the reporting year.

2.5.3 Admissibility of nominee registrations

According to section 4 of the Registration Regulations, any persons who do not expressly declare in their registration application that they hold the shares for their own account are considered to be nominees (trustees). According to Art. 5 (4)(a) of the Articles of Association, a nominee is entered in the Share Register as a shareholder with voting rights if the nominee declares in writing that he is willing to disclose the names, addresses and shareholdings of the persons for whom he holds the shares and/or will promptly disclose that information in writing on first demand. The exact wording of that rule can be found in the [Articles of Association](#).

According to section 4 of the Registration Regulations, the Board of Directors shall register a nominee as a shareholder with voting rights, recognising a stake of up to 1% of the registered share capital entered in the Commercial Register, if the nominee declares in writing that he is willing to disclose the names, addresses and shareholdings of the persons for whom he holds the shares and/or will promptly disclose that information in writing on first demand. Nominees are required to have entered into an agreement with the Board of Directors regarding their status. Above the limit of 1%, the Board of Directors shall enter the registered voting shares of a nominee on condition that the nominee discloses the names, addresses, place of residence or registered office and the shareholdings of those persons for whose account he holds 0.25% or more of the registered share capital entered in the Commercial Register.

For further information, see the [Registration Regulations](#).



In order to be registered as a nominee, the nominee must submit a application in due form in accordance with the annex "Application for Registration as Nominee". The [form](#) in question can be found on Ina Invest's website.

2.5.4 Procedures and prerequisites for suspension of preferential rights or restrictions on transferability under the Articles of Association

There are no preferential rights under the Articles of Association. A suspension of restrictions on transferability requires a General Meeting resolution passed by at least two thirds of the voting shares represented and the absolute majority of the nominal value of the shares represented (AoA Art. 16 (1)(c)).

2.6 Convertible bonds and options

Ina Invest Holding Ltd has not issued any convertible bonds or options.



3 Board of Directors

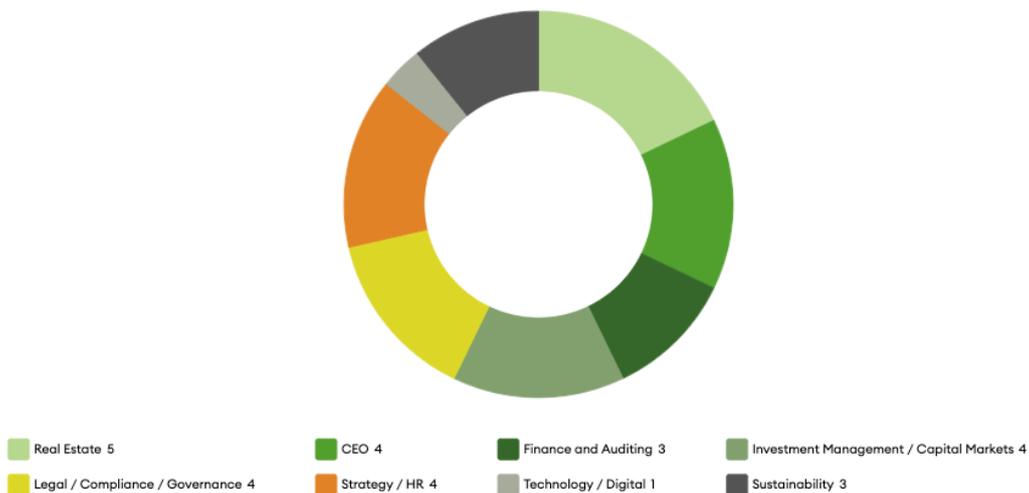
3.1 Members of the Board of Directors

The Board of Directors consists of five members according to Art. 18 (1) of the Articles of Association. No member performs any operational management duties for Ina Invest Holding Ltd or for any of its Group companies. The members are therefore non-executive. The Board of Directors is composed of the following members as of 31 December 2020:

Name	Nationality	Position	In office since ¹
Stefan Mächler	Switzerland	Chairman	2020
Christoph Caviezel	Switzerland	Vice-Chairman	2020
Marie-Noëlle Zen-Ruffinen	Switzerland	Member	2020
Hans Ulrich Meister	Switzerland	Member	2020
André Wyss	Switzerland	Member	2020

¹ General Meeting in the designated year

The current composition of the Board of Directors covers a number of areas of competence. The members have many years of professional experience in a variety of industries. The figure shows the diversity of the Board of Directors.



3.2 Education, activities and vested interests

The summary on the next pages provides essential information about the education and career path of each member of the Board of Directors. It also discloses the mandates held by each member of the Board of Directors outside the Group as well as any further significant activities and permanent positions in significant interest groups.



<p>Stefan Mächler Chairman of the Board of Directors and Member of the Audit Committee 1960, Swiss citizen</p> <p>Non-executive / independent</p>	<p>Additional memberships on board of directors None</p>
<p>Education</p> <ul style="list-style-type: none"> - Lic.iur., University of St. Gallen (HSG) 	<p>Additional functions and offices Member of the Board of Foundation of Stiftung Technopark Zürich</p>
<p>Professional Experience</p> <ul style="list-style-type: none"> - since 2014: Group Chief Investment Officer and Member of the Group Executive Board - Swiss Life Group - 2009-2014: Chief Investment Officer and member of the Group Executive Management - die Mobiliar - earlier: Various roles within Credit Suisse and Deutsche Bank 	

<p>Christoph Caviezel Vice-Chairman of the Board of Directors, Chairman of the Investment Committee, Member of the Audit Committee and Member of the Nomination and Compensation Committee 1957, Swiss citizen</p> <p>Non-executive / independent</p>	<p>Additional memberships on board of directors</p> <ul style="list-style-type: none"> - Graubündner Kantonalbank (member) – listed - Cham Group AG (member) - BZ Bank AG (member) - Kuoni Mueller und Partner AG (member) - Ledermann Gruppe (chairman)
<p>Education</p> <ul style="list-style-type: none"> - Dr. iur, University of Fribourg - Attorney-at-law 	<p>Additional functions and offices None</p>
<p>Professional Experience</p> <ul style="list-style-type: none"> - since 2018: Owner of Bluereal AG - 2008-2019: CEO of Mobimo Guppe - 2001-2008: CEO of Intershop Holding AG - 1995-2001: Various roles within Intershop Holding AG - earlier: Attorney-at-law 	



<p>Marie-Noëlle Zen-Ruffinen Member of the Board of Directors, Chairman of the Nomination and Compensation Committee and Member of the Investment Committee 1975, Swiss citizen Non-executive / independent</p>	<p>Additional memberships on board of directors</p> <ul style="list-style-type: none">- Baloise Holding AG (member) – listed- Banco Santander International SA (member)
<p>Education</p> <ul style="list-style-type: none">- Dr. iur. University of Fribourg- Lic. phil. University of Fribourg- Attorney-at-law	<p>Additional functions and offices</p> <ul style="list-style-type: none">- Chairman of the Swiss Board Institute Foundation- Member of the Swiss Institute of Directors Association
<p>Professional Experience</p> <ul style="list-style-type: none">- since 2009: Professor for Economics and Management at the University of Geneva- Since 2012: Of Counsel at Tavernier Tschanz- 2007-2012: Partner at Tavernier Tschanz	



<p>Hans Ulrich Meister Member of the Board of Directors and Chairman of the Audit Committee 1959, Swiss citizen Non-executive</p>	<p>Additional memberships on boards of directors</p> <ul style="list-style-type: none">- Implenia AG (chairman) – listed- Alpiq Holding AG (member of the board of directors and chairman of the Audit and Risk Committee)
<p>Education</p> <ul style="list-style-type: none">- Advanced Management Program, Harvard Business School- Advanced Management Program, Wharton School- Business degree, Zurich University of Applied Sciences	<p>Additional functions and offices</p> <ul style="list-style-type: none">- None
<p>Professional Experience</p> <ul style="list-style-type: none">- 2008-2015: Member of the Executive Board of Credit Suisse Group AG und der Credit Suisse AG- 2012-2015: Head of the Private Banking & Wealth Division, responsible for the Private Banking business in EMEA and Asia Pacific- 2011-2012: CEO of the Private Banking Division- 2008-2015: CEO of Credit Suisse Switzerland Region- 2005-2007: Head of Private and Corporate Customers Switzerland at UBS- 2004-2007: Member of the Group Managing Boards of UBS Group- 2003-2004: Head of Large Corporates & Multinationals at UBS- 2002: Wealth Management at UBS, New York	



<p>André Wyss Member of the Board of Directors, Member of the Nomination and Compensation Committee and Member of the Investment Committee 1967, Swiss citizen Non-executive</p>	<p>Additional memberships on board of directors None</p>
<p>Education</p> <ul style="list-style-type: none"> - Various Executive Education Modules in Leadership Development at Harvard Business School - Study of economics at the University of Applied Sciences in Business Administration (HWV) - Apprenticeship as chemical worker at Sandoz (today Novartis) 	<p>Additional functions and offices None</p>
<p>Professional Experience</p> <ul style="list-style-type: none"> - since 2018: CEO Implenia Group - 2016-2018: President of Novartis Operations (global) and Country President of Novartis Switzerland (responsible for, among other things, the entire production process central group services such as real estate and infrastructure, IT, procurement, personnel, and accounting, as well as corporate affairs)) - 2014-2018: Member of the Executive Committee of Novartis - earlier: Various roles within Novartis, including President Novartis USA, Executive for Country and Regional Companies, including the USA, Asia Pacific, Middle East & Africa, Group Emerging Markets, Greece, Executive of Novartis Business Services, Head of Pharmaceutical Production in Europa, Head Finance Resarch & Development 	

3.3 Rules of the Articles of Association regarding the number of permissible activities according to Art. 12 (1)(1) of the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies (“OaEC”)

According to Art. 28 of the Articles of Association, each Board Member may hold no more than 10 mandates as a director or officer of legal entities outside the Ina Invest Group (no more than four of which may be held in exchange-listed companies), which are to be registered in the Swiss Commercial Register or a similar foreign register. If mandates are held in different legal entities of one and the same corporate group or are held on behalf of a corporate group or a legal entity, then these will be counted in their entirety as one mandate in each case. According to the above-cited provision of the Articles of Association, it is permissible to exceed the foregoing limits for short periods.

The [Articles of Association](#) with the exact wording of the above-cited provision can be viewed on Ina Invest's website.



3.4 Election and term of office

The members of the Board of Directors shall have a 1-year term of office, commencing with the election and ending after the close of the next Annual General Meeting, without prejudice to the right of prior resignation or prior removal from office (Art.18 (3) of the Articles of Association). The members of the Board of Directors may be re-elected at any time (Art.18 (4) of the Articles of Association) providing they are not yet 70 years old. Retirement shall commence at the end of the Annual General Meeting following the member's 70th birthday (Art.18 (5) of the Articles of Association). As required by the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies ("OaEC"), the Board of Directors members and chair and the Nomination and Compensation Committee members shall be elected individually by the General Meeting (Art. 18 (2) and 22 (1) of the Articles of Association). Likewise as required by the OaEC, the independent proxy is elected by the General Meeting (Art. 13 of the Articles of Association). Moreover, the Board of Directors generally chooses its own members and, in particular, appoints its Vice-Chairperson and secretary of the Board of Directors.

If the office of the Chairman of the Board of Directors becomes vacant or the Nomination and Compensation Committee is not completely filled or the Company lacks an independent proxy, the Articles of Association have no rules to eliminate such organisational problems that deviate from OaEC Art. 4 (4), 7 (4) and 8 (6).

3.5 Internal Organisation

3.5.1 *Division of responsibilities on the Board of Directors*

The Board of Directors is responsible for the strategic and financial management of Ina Invest and the supervision of its management. It adopts resolutions as the highest corporate body, except in matters for which the General Meeting is competent by law. The Chairman of the Board of Directors shall call the Board of Directors' meetings. If the Chairman is unable to call the meeting, the meeting shall be called by the Vice-Chairman or, if need be, by a member of the Board of Directors designated to that purpose by the Board of Directors. The CEO shall attend the Board of Directors meetings on a regular basis. The Chairman shall determine the agenda and prepare and direct the meetings. The Chairman shall also decide on a case-by-case basis whether to involve others in the deliberations of the Board of Directors. Board of Directors' meetings may be called by any board member by specifying the agenda item and giving a short justification for the call.

The duties, responsibilities and working procedures of the Board of Directors as well as its conduct in case of conflicts of interest are regulated by the Ina Invest OR and Table of Responsibilities of 11 June 2020 (hereinafter "Table of Responsibilities"). The [Ina Invest OR](#) (without the Table of Responsibilities) can be found on Ina Invest's website.

3.5.2 *Committees of the Board of Directors*

In the reporting year, the Board of Directors had the following three committees: the Audit Committee (AC), the Nomination and Compensation Committee (NCC) and, at the level of Ina Invest Ltd, the Investment Committee (IC). The Board of Directors shall elect one Chairperson per committee. The AC and NCC shall analyse the areas assigned to them by the Board of Directors and submit reports to the Board of Directors to assist with the preparation of its resolutions or the performance of its supervisory duties. The Chairperson of the individual committees inform the Board of Directors of all the essential



points and make recommendations on decisions to be made by the plenary Board of Directors. The Committees' duties and responsibilities are defined in the Ina Invest OR, the Table of Responsibilities annexed hereto and the regulations issued by the Board of Directors.

The committees generally organise themselves. The Board of Directors shall enact appropriate regulations at request of the Committees. The committees shall generally have an advisory function, with decision-making authority reserved for the plenary Board of Directors. The committees shall have decision-making authority only where so determined in the Table of Responsibilities or in a Committee's Regulation or by a special Board of Directors resolution. The Committees are authorised to conduct or have investigations conducted on all matters within their area of responsibility. They may call upon the services of independent experts. The Board of Directors may appoint ad hoc committees for certain tasks and assign preparatory, supervisory and/or decision-making authority to such committees (sections 5.1.1 and 5.1.6 of the Ina Invest OR). None ad-hoc-committee was formed in the reporting year.

The table below shows the committees existing in the reporting year and their members:

	Audit Committee	Nomination and Compensation Committee	Investment Committee (at the level of Ina Invest Ltd)
Stefan Mächler, Chairman	x	(permanent guest)	(permanent guest)
Christoph Caviezel, Vice-Chairman	x	x	x (Chairperson)
Marie-Noëlle Zen-Ruffinen, member		x (Chairperson)	x
Hans Ulrich Meister, member	x (Chairperson)		
André Wyss, member		x	x

Audit Committee

The Audit Committee shall consist of at least three members of the Board of Directors appointed by the Board of Directors. The Audit Committee shall perform all of the Board of Directors' duties relating to accounting oversight and organisation, financial controlling (including the internal control system), financial planning and risk management. Risk management shall include reporting on (current or impending) legal actions. In addition, the Audit Committee shall monitor and report on the Compliance Management System to the Board of Directors. The Audit Committee shall coordinate and define the internal and external auditing tasks, ensure regular communications with the external auditors, and formulate the internal and external audit engagements. The Audit Committee is entitled to order special audits (section 5.1.1 of the Ina Invest OR). For more information about the Audit Committee's tasks, also see the [Ina Invest OR](#).

Nomination and Compensation Committee

The Nomination and Compensation Committee shall be composed of three BoD members who are elected individually by the General Meeting. The general principles of the NCC's duties and responsibilities related to compensation have been established by the General Meeting in Art. 22 of the Articles of Association and will be described in greater detail in the Compensation Report.



For more information about the NCC's tasks, also see the [Ina Invest OR](#).

Investment Committee

The Investment Committee at the level of Ina Invest Ltd consists of three members, two of whom are BoD members who are not related parties of Implenia Ltd and are appointed by Ina Invest Holding Ltd and one of whom is a BoD member appointed by Implenia Ltd. The Committee shall decide upon or propose promotional and development projects.

3.5.3 Working procedure of the Board of Directors and its committees

The Board of Directors and its committees shall meet as often as required by business, at least five times (BoD) and three times respectively two times (Audit Committee and Nomination and Compensation Committee). The meetings shall be held at the invitation of the Chairperson of the relevant committee and accompanied by an agenda and meeting documents each time. Moreover, each member can call a meeting and request the inclusion of additional agenda items. The meetings of the Board of Directors and of the committees shall be presided over by their respective Chairpersons. The presence of the majority of the members shall constitute a quorum. Members who participate in the meeting via telephone or videoconference shall be deemed present, too.

The resolutions and votes of the Board of Directors and its committees shall be carried by a majority of the voting members present. Abstentions are not permitted. In case of a tie vote, the Chairperson shall have the casting vote. The results of the negotiations and resolutions shall be recorded in the minutes. The Chairperson of the Board of Directors shall decide whether or not the CEO will participate (see section 3.3.6 of the Ina Invest OR). If necessary, others will be invited to the meetings.

The Chairman of the Board of Directors shall participate in the meetings of the Nomination and Compensation Committee as a permanent guest. As a general rule, the CEO will also participate in the Audit Committee meetings and, if necessary, one or more representatives of the external auditor and other persons designated by the Chairperson. As a general rule, the CEO will also participate in the Nomination and Compensation Committee meetings, and if necessary other persons designated by the Chairperson. Guests of the meetings of the Board of Directors and of the committees generally have no right to vote. Moreover, the CEO cannot attend Nomination and Compensation Committee or Board meetings whenever his own performance is being evaluated or his compensation is being discussed. The tables below give an overview of the number of meetings and teleconferences of the Board of Directors and of the Audit Committee, Nomination and Compensation Committee and Investment Committee at the level of Ina Invest Ltd in 2020 (since the IPO in June):



Overview of Board Meetings		
		Meetings ¹
Total		5
Average duration (in hours)		1:40
Participants		
Stefan Mächler, Chairman		5
Christoph Caviezel, Vice-Chairman		5
Marie-Noëlle Zen-Ruffinen, member		5
Hans Ulrich Meister, member		5
André Wyss, member		5

¹The CEO attended all the meetings.

Overview of Audit Committee meetings		
		Meetings ¹
Total		2
Average duration (in hours)		01:20
Participants		
Hans Ulrich Meister, chair		2
Christoph Caviezel, member		2
Stefan Mächler, member		2

¹The CEO attended all the meetings.

Overview of Nomination and Compensation Committee meetings		
		Meetings ¹
Total		2
Average duration (in hours)		01:10
Participants		
Marie-Noëlle Zen-Ruffinen, chair		2
Christoph Caviezel, member		2
André Wyss, member		2

¹The Chairman and the CEO attended all the meetings.



Overview of Investment Committee meetings		
		Meetings ¹
Total		3
Average duration (in hours)		02:30
Participants		
Christoph Caviezel, chair		3
Marie-Noëlle Zen-Ruffinen, member		3
André Wyss, member		3

¹The Chairman attended two meetings, the CEO all the meetings.

3.6 Division of responsibilities

The overall management and supervision of the Group is assigned by law to the Board of Directors. In addition to the responsibilities reserved to the Board under Art. 716a of the Swiss Code of Obligations, the Board of Directors shall rule on the following major transactions in accordance with the Table of Responsibilities:

- the purchase and/or sale of investments;
- the determination of the principles of the financial policy (debt-to-equity ratio and financial indicators);
- determination of the financing plan;
- procurement of outside capital of CHF 10 million or more (credit lines, bonds, private investments and other capital market transactions, finance leasing, hire-purchase activities, etc.);
- Fundamental issues and guidelines relating to the investment of financial resources;
- the granting of any kind of loan of CHF 1 million or more to third parties;
- the granting of group guarantees and sureties, other guarantees, bid, performance and payment bonds etc., other security interests and entering into contingent liabilities outside of the ordinary course of business of CHF 1 million or more; and
- the use of financial derivatives when not used strictly for hedging purposes.

Moreover, the Board of Directors is in charge of determining the sustainability strategy.

The Board of Directors shall delegate the management of the Ina Invest Group to the CEO, unless required otherwise by law, by the Articles of Association or by the Ina Invest OR. The CEO shall take care of the management and representation of the Ina Invest Group, unless delegated to other governing bodies by law, by the Articles of Association or by the Ina Invest OR. The CEO is responsible for the conduct of business and representation of the Group, in particular, for leadership of its operations and the implementation of corporate strategy. Insofar as such powers have not been reserved to the Board of Directors, the CEO is authorised to organise, perform and/or delegate to qualified subordinates the duties and powers assigned to him according to the Ina Invest OR, subject to providing such subordinates with proper instructions and supervision.

The CEO is responsible for reporting to the Chairman of the Board of Directors and/or to the Board of Directors (section 6.2.2 of the Ina Invest OR). For the details of the division of responsibilities between the Board of Directors and CEO, see the [Ina Invest OR](#) and the Table of Responsibilities.



3.7 Information and control instruments with respect to the CEO

In order to monitor how the CEO performs his or her assigned responsibilities, the following information and control instruments are available to the Board of Directors, among others:

Information and control instruments						
	annual	six-monthly	quarterly	monthly		
Financial report (balance sheet, income statement and cash flow statement)			x			
Budget	x					
3-year plan	x					
Group Risk Assessment	x					

Swiss GAAP FER financial reporting is submitted to the Board of Directors on a quarterly basis. The half-year reporting is approved by the Board of Directors and released for publication.

As part of the budget planning for the following year, the key figures are determined on the basis of the expected economic development and set with the corporate goals. Based on these, the balance sheet, income statement, cash flow statement and liquidity planning are budgeted. The annual planning for the coming three calendar years (three-year plan) is carried out in the same way as the budget planning.

The risk situation of the Ina Invest Group is assessed once a year in a detailed risk assessment. The risk catalogue resulting from the risk assessment contains the main group risks as well as measures and persons responsible for their implementation. The risk catalogue is then discussed and approved by the Board of Directors. The implementation of the defined measures is continuously monitored by the CEO.

The Internal Control System shall be audited by the external auditor as required by law, and the resulting report shall be given to the Board of Directors (Art. 728a (1)(3) and 728b (1) of the Swiss Code of Obligations). The reports on the individual information instruments shall be prepared and consolidated by the CEO. They shall then be forwarded to the Board of Directors. At the AC meetings, the reports shall be presented and commented on by the CEO.

The CEO shall give a detailed report and comment on the course of business and answer the questions of the members of the Board of Directors.



4 Executive Management

The Board of Directors has delegated the conduct of business to the CEO, Marc Pointet, a Swiss citizen. Marc Pointet was appointed CEO by the Board of Directors on 1 June 2020.

4.1 Education, activities and vested interests

The following description shows the main information about the career path and education of Marc Pointet, CEO. It also discloses any mandates outside the Group that may be held by each member as well as any further significant activities and permanent positions in significant interest groups.

Marc Pointet CEO 1974, Swiss citizen	Memberships on boards of directors None
Education <ul style="list-style-type: none">- Architect, ETH Zurich- Executive MBA, University of St. Gallen (HSG)	Additional functions and offices None
Professional Experience <ul style="list-style-type: none">- since June 2020: CEO Ina Invest Gruppe- 2013-2020: Head of Western Switzerland and Member of the Executive Board of Mobimo Group- 2006-2015: Head Project Management / Project Manager Development at Mobimo- 2003-2006: Head of Branch Office St. Moritz of Karl Steiner Ltd.	

4.2 Rules of the Articles of Association regarding the number of permissible activities according to Art. 12 (1)(1) of the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies ("OaEC")

According to Art. 28 of the Articles of Association, each member of the Executive Management may hold no more than five mandates as a director or officer of legal entities outside the Ina Invest Group, only one of which may be held in an exchange-listed company. Such mandates are subject to approval by the NCC on a case-by-case basis and must be registered in the Swiss Commercial Register or a similar foreign register. If mandates are held in different legal entities of one and the same corporate group or are held on behalf of a corporate group or a legal entity, then these will be counted in their entirety as one mandate in each case. It is permissible to exceed the foregoing limits for short periods. The [Articles of Association](#) with the exact wording of the above-cited provision can be viewed as follows on Ina Invest's website.

4.3 Management contracts

There are no management contracts with third parties.



5 Compensation, shareholdings and loans

5.1 Content and procedure to determine compensation and the shareholding programmes

Please see Chapter 2 of the separate Compensation Report for further information about the content and procedure to determine compensation and the grant of shareholdings and loans to members of the Board of Directors and of the Executive Management.

5.2 Rules under the Articles of Association

5.2.1 *Rules under the Articles of Association concerning the principles of compensation*

For information about the principles of compensation under the Articles of Association, please see Art. 15, 25 and 26 of the [Articles of Association](#) and Chapter 2 of the separate Compensation Report.

5.2.2 *Rules under the Articles of Association concerning loans, credit and pension benefits*

For information about the rules governing loans, credit and pension benefits under the Articles of Association, please see Art. 25 and 26 of the [Articles of Association](#) and Chapters 4.2 and 4.4 of the separate Compensation Report.

5.2.3 *Rules under the Articles of Association concerning the vote by the Annual General Meeting on compensation*

For information about the rules under the Articles of Association governing votes by the General Meeting concerning compensation, please see Art. 15 of the [Articles of Association](#) and Chapter 2 of the separate Compensation Report.



6 Shareholders' participation rights

6.1 Limitation of voting rights and proxy voting

All shareholders who are registered in the Share Register as shareholders with voting rights by the relevant cut-off date are entitled to participate and vote in the annual General Meeting. The Articles of Association do not impose any limitation on shareholders' voting rights, without prejudice to the restrictions on the transferability of shares (see section 2.5.1 of this report). Each share carries one vote. Moreover, as mentioned above, the Board of Directors is authorised to enter into agreements with the nominees on their reporting obligations (see section 2.5 of this report and the [Registration Regulations](#)).

No exceptions were granted in the reporting year. The restrictions on registration and voting rights under section 2.5.1 above may be suspended by amending the Articles of Association. Such suspension requires a General Meeting resolution passed by at least two thirds of the voting shares represented and the absolute majority of the nominal value of the shares represented (Art. 16 (1)(c) of the Articles of Association).

The shareholders' rights to participate in the General Meeting are governed by the relevant statutory provisions and the Articles of Association. Each shareholder can vote by participating personally in the General Meeting or have himself represented by an independent proxy or by another shareholder with voting rights with a written proxy form issued by the shareholder. Representation by a governing officer or custodian under Art. 689c and 689d, respectively, of the Swiss Code of Obligations, is not permitted (OaEC Art. 11). The general policy that both motions disclosed in the letter of invitation and motions not so disclosed should be put to vote as motions of the Board of Directors is held to be the applicable voting policy.

In addition, partnerships and legal persons can have themselves represented by authorised signatories or other authorised representatives, minors or wards by their legal representatives, and married persons by their spouse, even if the representatives are not shareholders. The Chairperson of the General Meeting decides on the admissibility of a form of representation (Art. 11 (5) of the Articles of Association).

The shareholders may grant the independent proxy instructions and powers of attorney electronically, as well, in which case the Board of Directors shall determine the requirements for such powers of attorney and instructions (Art. 11 (1) of the Articles of Association).

The Articles of Association have no further rules on issuing instructions to the independent proxy or on electronic participation in the General Meeting. The applicable rules are described in the relevant letter of invitation.

6.2 Quorums under the Articles of Association

The General Meeting shall adopt resolutions by the majorities prescribed by law. The Articles of Association do not provide for any different majorities, except for resolutions to suspend or ease the limitations of transferability requiring a majority vote of two thirds of the voting shares represented and an absolute majority of the nominal value of the shares represented (Art. 16 (1) of the Articles of Association).



Association). Resolutions on mergers, de-mergers and conversion are subject to the rules set out in the Swiss Merger Act.

6.3 Convening the General Meeting

General meetings shall be convened by the Board of Directors; the invitation, indicating the agenda items and motions, shall be published in the Swiss Official Gazette of Commerce at least 20 days before the meeting. In addition, registered shareholders may be informed in writing (Art. 8 (1) and 9 (1) of the Articles of Association). The decision to determine the location of the General Meeting shall be made by the Board of Directors. The minutes of the General Meetings shall be published on Ina Invest's website.

6.4 Adding items to the agenda

The Board of Directors shall be responsible for adding items to the agenda. Any shareholders representing at least 1% of the issued share capital can move to add an item to the agenda (Art. 9 (2) of the Articles of Association). Such a request, specifying the agenda item and motions, shall be submitted in writing to the Board of Directors at least 45 days before the General Meeting.

6.5 Registrations in the Share Register

The invitation to the General Meeting shall be sent to the shareholders registered as shareholders with voting rights in the Share Register as of the cut-off date. The cut-off date for eligibility to vote in the General Meeting shall be set by the Board of Directors each year based on Art. 11 (2) of the Articles of Association. The data concerned shall be mentioned in the relevant invitation.

The [Articles of Association](#) with the exact wording of the above-cited provision can be viewed as follows on Ina Invest's website.



7 Change of control and defensive measures

7.1 Duty to make an offer

The Articles of Association contain an opting up clause. Any shareholder who holds more than 40% of the voting rights has a duty to submit an offer for all of the company's listed equity securities within the meaning of Art. 135 of the Financial Market Infrastructure Act (see Art. 34 of the Articles of Association).

7.2 Change-of-control clause

There are no agreements concerning change of control with members of the Board of Directors or other members of management.



8 Auditors

8.1 Duration of the Head Auditor's mandate and term of office

The auditor has been PricewaterhouseCoopers Ltd (Zurich) since financial year 2020. The duration of each mandate assigned to PricewaterhouseCoopers Ltd is one financial year (Art. 24 of the Articles of Association). The current mandate commenced on 1 June 2020. The position of Head Auditor is held by Michael Abresch. According to Art. 730a of the Swiss Code of Obligations, the head auditor's mandate shall not generally exceed seven years.

8.2 Auditing fees

In the reporting year, the fee invoiced by the auditor amounted to a total of CHF 440'000. This includes audit work related to the opening balance sheet, capital increases, listing and the current financial statements.

8.3 Additional fees

There were no additional fees in the reporting year.

8.4 Informational instruments of the External Audit

In particular, the AC is tasked with effective and regular monitoring of the auditor's reports in order to ensure their quality, integrity, independency, and transparency. The auditor's representatives participated in all three AC meetings during the financial year. The audit plan, including the fees, is presented to the members of the AC and discussed with them. In the meetings, the auditor reports the main findings to the AC together with the related recommendations.



9 Information policy

Ina Invest shall maintain open and transparent communication on a regular basis with the shareholders, investors and the public. The CEO shall be available as a discussion partner for shareholders, investors and analysts. The most important information is communicated periodically as follows:

- Annual results (February/March): Publication of the Annual Report, conferences for the press and analysts
- Half-year results (August / September): Publication of the Half-Year Report, conferences for the press and analysts
- General Meeting (March/April)

Over the course of the year, Ina Invest shall provide information about significant events in the business trend through press releases and letters to shareholders. As a company listed on SIX Swiss Exchange Ltd, Ina Invest has an ad hoc public disclosure obligation, i.e., the obligation to disclose information that may potentially affect share prices. In addition, Ina Invest shall maintain a dialogue with investors and media at special events and roadshows.

The website www.ina-invest.com shall be constantly available to shareholders, investors and the public as an up-to-date news platform. It contains the main facts and figures regarding Ina Invest, [financial publications](#), presentations on important developments and the dates of all the relevant [events](#) (General Meetings, press conferences, etc.). Interested parties can sign up for the free [e-mail news service](#).

All [press statements](#) are released simultaneously on the website and in the media. All the notices are available there, too.



Compensation Report

Letter to the Shareholders

Dear Shareholders

We are delighted to present Ina Invest Holding's first compensation report, which covers the 2020 financial year.

The current Board of Directors and its committees (in particular the Nomination and Compensation Committee) began their work with the IPO on 12 June 2020. In Marc Pointet who started with us on 1 June 2020, we acquired a CEO with a wealth of experience in the real estate market. Despite the impact of the coronavirus pandemic, Ina Invest was able to develop extremely well during its first year of business thanks to the excellent cooperation between the CEO and the Board of Directors.

During this first year, the Nomination and Compensation Committee (NCC) has focused on implementing the remuneration system and the policies pertaining to it (particularly the Restricted Share Unit Plan), as well as on determining and evaluating targets for the CEO in the context of the Short Term Incentive Plan (STIP) for the 2020 and 2021 financial years.

A balanced compensation model incorporating both a basic salary and a Short Term Incentive Plan was introduced for the CEO. STIP compensation is split into two equal parts; 50% of the payment is made in the form of a cash bonus, while the remaining 50% is converted in Restricted Share Units (RSUs) that have a vesting period of three years. STIP payments are performance-related and depend on whether financial targets (KPIs) and individual objectives (MBOs) are achieved within a given financial year. For the Board of Directors, it is extremely important that the targets set for the CEO include objectives on sustainability, in order to ensure that Ina Invest's vision for creating the most sustainable real estate portfolio in Switzerland becomes a reality. Further information on STIP can be found in this compensation report.

Members of the Board of Directors are compensated on a flat-rate basis for their activities as part of the Board and for the committee work that they undertake. A third of the annual payments are made in the form of shares that are blocked for three years.

The compensation for the CEO for the 2020 financial year and for members of the Board of Directors for the period between the Annual General Meetings 2020 and 2021 is within the limits approved at the last AGM. The AGM has approved a maximum compensation for the CEO of CHF 1.1m for the 2021 financial year, while the proposed maximum compensation for Executive Management (for the 2022 financial year) and the Board of Directors (for the period between the 2021 and 2022 AGMs) remains unchanged.

As shareholders, you will have the opportunity to vote on the compensation for Executive Management and the Board of Directors every year at the AGM. As of the upcoming Annual General Meeting on 31



March 2021, this compensation report will also be submitted to you in a non-binding advisory vote (one year before the revision of the Swiss Company Law enter into force).

We will continue to evaluate and review our compensation practices on a regular basis and constantly seek to develop them further. To this end, we maintain regular contact with our investors.

On behalf of the Nomination and Compensation Committee, I would like to thank you, our valued shareholders, for your trust and continuing support.

Marie-Noëlle Zen-Ruffinen

Vorsitzende des Nomination and Compensation Committee



The compensation report of Ina Invest Holding Ltd provides an overview of the compensation philosophy and governance as well as its related principles and components at Ina Invest Holding Ltd. This report discloses the levels of compensation of the members of the Board of Directors (hereinafter “Board Members”) and CEO for the financial year 2020 and indicate their shareholdings in the Company as of 31 December 2020.

The Compensation Report of Ina Invest Holding Ltd complies with the provisions of the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies (“**OaEC**”), the Directive on Information relating to Corporate Governance (“**DCG**”) issued by SIX Exchange Regulation AG and the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse* (“**SCBP**”).

1 Philosophy of compensation

The compensation of the Board Members and CEO of Ina Invest Holding Ltd is designed to ensure the Company's long-term success. The Company's objective is to manage one of the most sustainable real estate portfolio in Switzerland.

The compensation of the Board Members therefore consists of a fixed fee, which is based partly on blocked shares in the Company in order to ensure long-term alignment with the shareholders' interests. Part of the CEO's variable compensation is likewise coupled with the Company's sustainability objectives. Half of the CEO's variable compensation is delivered in Restricted Stock Units (RSUs) with a vesting period of three years.

2 Governance of compensation

2.1 Compensation provisions in the Articles of Association

The Company's Articles of Association¹ contain the following compensation provisions required by the OaEC:

- concerning approval by the general meeting of the maximum total amounts of compensation of the Board of Directors and of Executive Management (Art. 15);
- concerning the principles of compensation payable to the members of the Board of directors and of Executive Management, as well as the allocation of equity securities to them (Art. 25 and 26);
- concerning the additional amount of compensation for Executive Management members who will take an Executive Management position or assume additional duties after the compensation has been approved by the general meeting (Art. 15 (5)).

2.2 Nomination and Compensation Committee (NCC)

The NCC shall also assist the Board of Directors in determining the compensation of Directors and Executive members (Board of Directors and CEO), and with the audit of the Compensation Report. The NCC particularly has the following duties related to “compensation”:

- recommendations on the general compensation policy of Ina Invest Holding Ltd Group;

¹ https://www.ina-invest.com/fileadmin/user_upload/PDF/2020-06-11_Ina_Invest_Holding_AG_-_Statuten.pdf.



- recommendations on compensation for the Board Members and CEO;
- recommendation on the financial targets under the Short-Term Incentive Plan (**STIP**) in accordance with the annual budget;
- review and approval of the CEO's performance under the STIP, on proposal by the Chairman;
- review of the Compensation Report;
- regular review of the amount and components of the compensation of the Board Members and CEO.

Unless expressly agreed otherwise, the Board of Directors shall retain the decision-making authority.

2.3 Compensation Governance

The following table provide an overview of the division of responsibilities between the Annual General Meeting, the Board of Directors, the NCC, and the CEO:

Subject area/Responsibility	NCC	Board of Directors	Annual General Meeting (AGM)
Compensation policy	proposes	approves	
Compensation report	proposes	approves	advisory vote
Maximum total compensation of the Board of Directors for the period until the next annual general meeting	recommends	reviews and proposes	approves
Maximum total compensation of the CEO for the next financial year	recommends	reviews and proposes	approves
Individual compensation of the Board Members within the limits of the total amount approved by the AGM, of the Articles of Association and the law (including any portion in shares, the related terms and conditions, the allocation date, valuation and restriction period)	recommends	decides	
Financial targets of the STIP for the CEO	recommends	decides	
CEO's performance under the STIP	reviews and decides (on proposal by the Chairman of the Board of Directors)		
Individual compensation of the CEO within the limits of the total amount approved by the AGM, of the Articles of Association and the law (base salary and variable compensation under the STIP)	recommends (in cooperation with the Chairman of the Board of Directors)	decides	

The Board of Directors has appointed HCM International Ltd. (HCM), an external, independent consulting firm, as the advisor of the NCC and Board of Directors on specific compensation issues. HCM holds no further mandates with Ina Invest Holding Ltd.



Each year, based on the recommendation of the NCC, the Board of Directors shall decide on the proposal made to the general meeting (i) concerning the maximum total compensation of the Board of Directors for the period until the next annual general meeting and (ii) concerning the maximum total compensation of the CEO for the next financial year.

The individual compensation of the Board Members and of the CEO shall be reviewed annually by the NCC.

The NCC Chair shall promptly report on significant proceedings, recommendations and resolutions of the NCC to the Chair of the Board of Directors, unless the Chair of the Board of Directors participated, and shall report on same at the next Board of Directors meeting. The minutes of the NCC meetings shall be forwarded to all Board Members.

The CEO (and the Chairman of the Board of Directors) shall not participate in the meetings at which their own compensation is discussed and related resolutions are adopted, and shall have no voting rights in that respect.



3 Principles and components of compensation

3.1 Board of Directors

Board Members shall receive a fixed fee within the framework of the maximum amount approved by the general meeting. The Board of Directors shall set the amount of compensation at its own discretion, taking the members' workload and position into account. To that purpose, the Board of Directors has enacted Rules and Regulations on the Compensation of Members of the Board of Directors, which are regularly reviewed to determine whether any adjustments are required. Extra compensation is paid for the positions of Chairman, Vice-Chairman, Audit Committee Chair and NCC Chair, and for extraordinary efforts that go beyond the normal activities of the Board of Directors, such as acting as Investment Committee Chair at Ina Invest Ltd. No extra compensation is paid, however, for sitting on the Board of directors of subsidiaries.

The table below gives an overview of the compensation for individual duties on the Board of Directors:

Position	Compensation per year in office in CHF
Chair of the Board of Directors	200,000
Vice-Chair of the Board of Directors	80,000
Other members of the Board of Directors	70,000
Chair of a Board of Directors committee (Audit Committee and NCC)	20,000
Chair of the Investment Committee at the subsidiary Ina Invest Ltd	20,000

The compensation for the Board Members shall be paid two thirds in cash and one third in shares in Ina Invest Holding Ltd.

The number of shares to be allocated to the Board Members shall be calculated on the basis of the average shares price of Ina Invest Holding Ltd in December of the relevant year.

Any cash compensation shall be paid to the Board Members quarterly in arrears.

The shares shall be distributed in a single block each year on the first trading day in January of the relevant year of the term of office, i.e. immediately after the relevant month of December used to calculate the number of shares. The shares allocated to the Board Members will be blocked for a period of three years. The restriction shall continue to apply – excepting cases of invalidity, departure for reasons of age, or death – also in the event of a departure from the Board of Directors.

The Company pays the mandatory social security contributions (AHV and ALV) on the Board of Directors' compensation. No contributions are made to insurance or pension institutions.

Board Members are reimbursed for travel expenses incurred of over CHF 50 against presentation of receipts. Each Board Member shall assume all other business expenses that he or she incurs.



3.2 CEO

The CEO's compensation, within the framework of the maximum amount approved by the annual general meeting, consists of a base salary and a performance-based variable component under the STIP.

The amount of the base salary is determined by the Board of Directors at its discretion on recommendation by the NCC, taking into account the Company's financial results, the performance of the CEO, the economic situation and the compensation in similar companies.

In this instance, the Board benchmarked against a number of real estate companies such as Peach Property Group AG, Novavest Real Estate AG, Varia US Properties AG, Fundamenta Real Estate AG, Warteck, Piazza, Hiag Immobilien, Investis. The base salary shall be paid in 12 instalments at the end of each month.

The compensation under the STIP shall be due and payable if and to the extent that the CEO's individually defined performance targets and the financial targets have been achieved over the whole calendar year.

For the year 2020, the following qualitative personal objectives and quantitative financial targets (EBITDA, sales and growth targets) were taken into account for the compensation under the STIP.



A 50% weighting was assigned to the quantitative financial targets and to the qualitative personal objectives. Among the financial targets, the EBITDA target was weighted 2/5^{ths}, the growth targets were weighted 2/5^{ths}, and the sales targets 1/5th.

The Target Incentive of the STIP represents 40% of the CEO's annual base salary.

The actual amount of compensation under the STIP shall be determined by the Board of Directors on recommendation of the NCC, taking into account the degree of achievement of the target. The actual amount of compensation may range from 0% to 200% of the Target Incentive.

The compensation under the STIP shall be paid 50% in cash and 50% in Restricted Share Units (**RSUs**) with a vesting period of three years. After vesting, each RSU carries the right to subscribe for one registered share in Ina Invest Holding Ltd with a nominal value of CHF 0.03. The CEO's employment contract stipulates the Company can demand the return of all or part of the compensation under the



STIP ("*Clawback*") in the event of a serious breach of the Code of Conduct or violation of statutory obligations and may also reduce future compensation under the STIP in whole or in part ("*Malus*").

The number of RSUs to be allocated shall be determined by the Board of Directors by dividing the relevant amount of compensation for the financial year in question by the reference price of the RSUs and then rounding up to the next whole number of RSUs. The reference price of the RSUs equals the average closing price of the Ina Invest Holding Ltd share in the calendar month immediately before the allocation of the RSUs. The RSUs vest on the third anniversary of the allocation, so long as the CEO is in a non-terminated employment relationship with the Company or a subsidiary. The Board of Directors may provide for different vesting periods.

The cash component of the compensation under the STIP will be paid and the RSUs will be allocated during the month of March following the financial year under review. The RSUs for 2020 will therefore be allocated in March 2021.

The CEO is paid an annual all-inclusive expense allowance of CHF 18,000.



4 Compensation for 2020

4.1 Board of Directors compensation for 2020 (from the listing date of 12 June 2020)

	Total compensation ¹	Cash compensation	Number of shares ^{2, 3}	Value of the allocated shares ⁴	Social insurance contributions	Total for 2020
Stefan Mächler (Chairman)	111	78	2,057	33	16	127
Christoph Caviezel (Vice-Chairman)	55	39 ⁵	1 029	16	2	57
Hans Ulrich Meister (member)	50	35	926	15	7	57
André Rudolf Wyss (member)	39	27	772	12	6	45
Marie-Noëlle Zen-Ruffinen (member)	50	35	926	15	7	57
Total	305	214	5 710	91	38	343

¹ First, the total compensation is stated and then divided into cash compensation and RSUs.

² Registered shares of Ina Invest Holding Ltd, ISIN CH0524026959, at a nominal value of CHF 0.03 each.

³ The calculation is based on the average share price in December 2020. The shares were allocated on 4 January 2021.

⁴ The value of the shares is calculated as follows: average share price in December 2020 less 16.038% tax discount due to the 3-year blocking period.

⁵ The cash remuneration was invoiced by and paid each time to Blureal AG, a public limited company wholly owned by Christoph Caviezel.

The general meeting of 3 June 2020 approved the Board of Directors' maximum total compensation of CHF 540,000 for the period from that date until the next annual general meeting in 2021.

Board of Directors' compensation	Compensation in the financial year 2020 (from the listing date) (A)	Plus the compensation from January to the 2021 AGM (B)	Compensation in the period from the listing date until the 2021 AGM (A) + (B)	The maximum compensation approved at the 2020 AGM for the period from the listing date until the 2021 AGM	Ratio of paid compensation to approved compensation
	12 December 2020 – 31 December 2020	1 January 2021 – 2021 AGM	12 June 2020 – 2021 AGM		
Total in CHF '000	343	146	489	540	90.6%



4.2 Additional information about the Board of Directors' compensation

Ina Invest Holding Ltd does not grant any loans or credit to past or present Board Members or their related parties.

In the financial year 2020, no compensation was paid to former Board Members or to persons who are related parties of past or present Board Members.

4.3 CEO's compensation in 2020 (from the listing date of 12 June 2020)

Marc Pointet (CEO)	Base salary	Total under STIP ¹	Cash compensation under STIP ²	Number of RSUs under STIP ^{3,4}	Attributable value of RSUs ⁵	Other compensation ⁶	Social security contributions ⁷	Total for 2020
Total	251	120	60	3 182	60	17	83	471

¹ First the total variable compensation under the STIP is stated and then the cash and RSU components are listed.

² The cash compensation for the 2020 performance year is paid the following year.

³ An RSU is a conditional entitlement to acquire a registered share in Ina Invest Holding Ltd, ISIN CH0524026959, at a nominal value of CHF 0.03.

⁴ The calculation is based on the average share price (closing price) in January 2021. The RSUs will be allocated in March 2021.

⁵ The value of the RSUs is calculated using the average share price in January as the share price on grant date will only be known after the publication of the compensation report

⁶ "Other compensation" includes elements such as a mobility allowance or child benefits

⁷ The social security expenses include the mandatory employer's contributions as well as the pension fund contributions according to legal requirements and market practices.

The general meeting of 3 June 2020 approved the CEO's maximum total compensation of CHF 600,000 for the remainder of the financial year 2020. The total compensation paid to the CEO in the financial year 2020 (from the listing date of 12 June 2020) therefore falls within the framework of the maximum approved amount and corresponds to 78.5%.

The CEO's variable compensation in the financial year 2020 amounted to 47.8% of his fixed compensation.

4.4 Additional information on the CEO's compensation

Ina Invest Holding Ltd does not grant any loans or credit to past or present Executive Management members or their related parties.

For the financial year 2020, no compensation was paid to former Executive Management members or to persons who are related parties of past or present Executive Management members.

The CEO's employment contract is for an indefinite period and may be terminated on 6 months' notice.



5 Shareholdings as of 31 of December 2020

5.1 Board of Directors

The table below shows the number of Ina Invest Holding Ltd shares held by the individual Board Members and their related parties as of 31 December 2020.

	Number of shares as of 31 December 2020 ^{1, 2}	Shares blocked until		
		2021	2022	2023 ⁴
Stefan Mächler (Chairman)	9 000 (11 939)	-	-	(2 939)
Christoph Caviezel (Vice-Chairman)	2 480 (3 950)	-	-	(1 470)
Hans Ulrich Meister (member)	36 941 (38 264)	428	846	717 (1 323)
André Wyss ³ (member)	46 768 (47 797)	4 489	-	(1 029)
Marie-Noëlle Zen-Ruffinen (member)	0 (1 323)	-	-	(1 323)
Total	95 189 (103 273)	4 917	846	717 (8084)

¹ Registered shares of Ina Invest Holding Ltd, ISIN CH0524026959, at a nominal value of CHF 0.03 each.

² The shares allocated for the year of office 2020/21 (see table in Chapter 4.1 above) were transferred on 4 January 2021 (in brackets, including the shares allocated on 4 January 2021). The shares allocated shall remain blocked for a period of three years after the allocation.

³ In addition, André Wyss has 10,185 Restricted Share Units (RSUs) of Ina Invest Holding Ltd allocated to him under his 2019 Long Term Incentive Plan at Implenia. The RSUs will vest on 6 April 2022.

⁴ The shares allocated on 4 January 2021 are shown in brackets. The shares are blocked until 4 January 2024.

5.2 CEO

As at 31 December 2020, neither the CEO nor persons closely associated with him hold shares or RSUs in Ina Invest Holding Ltd. The RSUs allocated for the year of office 2020 (see table in Chapter 4.3 above) will be transferred in March 2021.

Report of the statutory auditor to the General Meeting of Ina Invest Holding Ltd

Zurich

We have audited the remuneration report of Ina Invest Holding Ltd for the year ended 31 December 2020. The audit was limited to the information according to articles 14 to 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) on pages 40 and 41 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 to 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 to 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Ina Invest Holding Ltd for the year ended 31 December 2020 complies with Swiss law and articles 14 to 16 of the Ordinance.

PricewaterhouseCoopers Ltd



Dr. Michael Abresch
Audit expert
Auditor in charge



Philipp Gnädinger
Audit expert

Zürich, 25 February 2021

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Ina Invest Holding Ltd

Consolidated financial statements of Ina Invest Group as at 31 December 2020



Consolidated income statement

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

	Note	2020
Rental income from properties	2.6	791
Income from the sale of promotional properties	2.1	1,399
Operating income		2,190
Profits from revaluation of investment properties	2.2	13,198
Losses from revaluation of investment properties	2.2	(3,565)
Result from revaluation of investment properties		9,633
Direct rental expenses	2.6	(69)
Direct expenses from the sale of promotional properties	2.1	(1,219)
Other direct operating expenses		(808)
Direct operating expenses		(2,096)
Personnel expenses	4.2	(789)
Other operating expenses	2.8	(3,604)
Operating expenses		(6,489)
Operating result (EBIT)		5,334
Financial expenses		(736)
Earnings before income taxes		4,598
Income taxes	4.1	(740)
Profit		3,858
- attributable to the shareholders of Ina Invest Holding Ltd		1,394
- attributable to minorities		2,464
Earnings per share (EPS) (in CHF)	3.5	0.19
Diluted earnings per share (in CHF)	3.5	0.19



Consolidated balance sheet

in CHF thousands	Note	31.12.2020	01.04.2020
Assets			
Cash and cash equivalents		14,118	1,202
Trade accounts receivable		453	-
Other current receivables		1,174	-
Promotional properties	2.1	76,000	70,550
Accrued income and prepaid expenses		1,295	-
Total current assets		93,040	71,752
Investment properties	2.2	268,928	159,771
Intangible assets	2.3	21,176	27,404
Other non-current receivables	2.5	1,044	-
Total non-current assets		291,148	187,175
Total assets		384,188	258,927
Liabilities and equity			
Current financial liabilities	3.1	-	20,000
Trade accounts payable		56	-
Advance payments for promotional properties		460	-
Other short-term liabilities		108	-
Accrued expenses and deferred income	2.4	1,439	34,398
Total current liabilities		2,063	54,398
Deferred tax liabilities	4.1	39,496	39,208
Other non-current liabilities	2.5	4,430	-
Non-current provisions	2.2	610	-
Total non-current liabilities		44,536	39,208
Total Liabilities		46,599	93,605
Share capital	3.4	266	111
Capital reserves	3.4	192,541	82,715
Treasury shares	3.4	(165)	-
Retained earnings	3.4	1,394	-
Equity attributable to shareholders of Ina Invest Holding Ltd		194,036	82,826
Minority interests	3.4	143,553	82,496
Total equity		337,589	165,322
Total liabilities and equity		384,188	258,927



Consolidated cash flow statement

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

	Note	2020
Profit		3,858
Result from revaluation of investment properties	2.2	(9,633)
Share-based payments	4.2	127
Income taxes	4.1	740
Financial expenses		736
Other non-cash income		(82)
Other non-cash expenses		201
Changes in		
– Trade accounts receivable		(453)
– Promotional properties		(4,193)
– Other current receivables and accrued income and prepaid expenses		(847)
– Trade accounts payable		56
– Advance payments for promotional properties		460
– Other current liabilities and accrued expenses and deferred income		1,175
– Provisions	2.2	610
Cashflow from operating activities		(7,245)
Investments in investment properties	2.2	(86,867)
Investments in intangible assets	2.3	(13)
Investments in securities	4.4	(30,000)
Proceeds from disposals of securities	4.4	30,000
Cash flow from investing activities		(86,880)
Proceeds from capital increase	3.4	113,127
Payments for capital increase cost	3.4	(4,307)
Acquisition of treasury shares	3.4	(165)
Interest paid		(570)
Payments for other financial expenses		(170)
Repayment of short-term financial liabilities	3.1	(874)
Cash flow from financing activities		107,041
Net change in cash and cash equivalents		12,916
Cash and cash equivalents as at 01.04.2020		1,202
Cash and cash equivalents as at 31.12.2020		14,118



Consolidated statement of changes in equity

in CHF thousands	Note	Share capital	Capital reserves	Treasury shares	Retained earnings	Share-holders' equity	Minority interests	Total equity
Balance as at 01.04.2020		111	82,715	-	-	82,826	82,496	165,322
Profit		-	-	-	1,394	1,394	2,464	3,858
Capital increase	3.4	155	110,589	-	-	110,744	-	110,744
Capital increase subsidiary	3.4	-	(890)	-	-	(890)	58,593	57,703
Share-based payments	4.2	-	127	-	-	127	-	127
Purchase of treasury shares	3.4	-	-	(165)	-	(165)	-	(165)
Balance as at 31.12.2020		266	192,541	(165)	1,394	194,036	143,553	337,589



Notes to the consolidated annual financial statements

1 General information and principles

1.1 General information

Ina Invest Holding Ltd (the Company) is a Swiss company domiciled at Binzmühlestrasse 11, Zurich, Switzerland. The Company's consolidated financial statements cover the Company and its subsidiaries (referred to collectively as "the Group" or "Ina Invest"). The individual companies are to be considered group companies.

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.

For the first time, the consolidated financial statements were prepared in accordance with the full Accounting and Reporting Recommendations (Swiss GAAP FER), including Swiss GAAP FER 31 "Complementary recommendations for listed companies" and provides a true and fair view of the Group's assets, financial situation and earnings. The consolidated financial statements comply with the provisions of Swiss law. The Group discloses the additional information required for real estate companies by the Swiss stock exchange (SIX Swiss Exchange) (Article 17 of the Directive on Financial Reporting of SIX Swiss Exchange).

The consolidated financial statements have been prepared under the assumption of going concern for the Group's business. Valuations in the consolidated financial statements are based on historical acquisition or production costs, unless a standard prescribes another valuation basis for an item in the financial statements or another value was used based on an accounting policy choice. This is the case for the investment properties presented in note 2.2, which were valued at fair value.

The consolidated financial statements are presented in Swiss francs (CHF), the Company's functional currency. Unless otherwise stated, all financial information is presented in Swiss francs, rounded to the nearest thousand.

1.2 First time adoption of Swiss GAAP FER

Various development projects, cash and cash equivalents and liabilities were transferred from Implenia Group to Ina Invest Ltd with effect from 1 April 2020. The transfer was carried out by means of an asset transfer agreement. Moreover, the Group was incorporated as at this date with the contribution of 50.1% of the shares in Ina Invest Ltd into the Company, and a consolidated opening balance sheet was prepared.

All of the Swiss GAAP FER requirements in force on 1 April 2020 were applied in full.

The assets and liabilities transferred were valued and recognised at fair value as at 1 April 2020. Promotional properties, investment properties and intangible assets (purchase rights for plots of land) were valued in accordance with the principles and key assumptions described in note 2.2 Investment properties. Different valuation principles applied in the separate financial statements of the group



companies gave rise to temporary differences in the development projects, which triggered a recognition of deferred taxes.

1.3 Consolidation principles

The consolidated financial statements are based on the stand-alone financial statements prepared in accordance with consistent principles as at 31 December 2020 by all group companies in which the Company directly or indirectly held more than 50% of voting rights or which it controls in another way. The entity included in the scope of consolidation together with the Company is Ina Invest Ltd.

Name of the company	Domicile	Business activity	Share capital in CHF thousands		Inclusion in consolidated financial statements	Votes and capital share	
			31.12.2020	01.04.2020		31.12.2020	01.04.2020
Ina Invest Ltd	Zurich	Properties	202	100	Full consolidation	57.5%	50.1%

Implenia Ltd holds the remaining voting rights and shares in Ina Invest Ltd (42.5%; 1 April 2020: 49.9%). The decrease in Implenia Ltd's shareholding was due to the capital increase in June 2020. See note 3.4 for more information on the capital increase.

Subsidiaries are included in the consolidated financial statements from the date on which control is assumed and excluded from the date on which control is relinquished. These dates do not necessarily coincide with the acquisition or disposal date. Capital consolidation is performed according to the purchase method. This involves the group companies' equity being offset against the carrying amount of the parent company's investment at the time when it is purchased or, if appropriate, at the date of incorporation. Assets and liabilities of the group company are measured at fair value as at this date in accordance with principles that are consistent throughout the Group. Using the full consolidation method, the assets and liabilities of the consolidated companies were recognised in full in the consolidated annual financial statements. Intragroup assets and liabilities are eliminated, as are intragroup income and expenses.

1.4 Management assumptions and estimates

In order to prepare the consolidated financial statements in accordance with Swiss GAAP FER, management has to make estimates, assessments and assumptions that impact the application of the accounting and valuation methods as well as the presentation and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on experience and various other factors that are considered relevant in the prevailing circumstances. The actual results may deviate from these estimates.

Estimates and assumptions are reviewed regularly. Changes in estimates may be necessary if the circumstances on which the estimated values are based have changed or if there is new information or additional insights. Such changes are recognised in the reporting period in which the estimate is adjusted.



Management estimates and assumptions applied in Swiss GAAP FER that may have a significant impact on the consolidated financial statements or involve a high risk of adjustment in the following year are explained in the subsequent notes:

Item	Additional information
Investment properties	Note 2.2.
Deferred taxes	Note 4.1.

The first-time valuation of the items promotional properties, investment properties and intangible assets (purchase rights for plots of land) was carried out at fair value pursuant to explanations in note 1.2. At the time of initial recognition as at 1 April 2020, the promotional properties and intangible assets were subject to the estimates and assumptions set out in note 2.2.

2 Operating activities

The following section presents additional information on the operating result and the current and non-current assets relevant to the Group's operating activities. The notes on assets primarily concern the promotional and investment properties.

2.1 Promotional properties

Promotional properties include projects involving condominium apartments intended for sale at a later date.

in CHF thousands	31.12.2020	01.04.2020
Projects under development	53,630	70,550
Projects under construction	22,370	-
Projects in sale	-	-
Total promotional properties	76,000	70,550

The plots of land on which the projects are being built are completely owned by Ina Invest at the beginning of a project. Ina Invest develops the plots of land until it receives a building permit for them and then makes them ready to be built on. Construction begins as soon as most of the condominium apartments have been reserved. A general contractor executes the constructions. The two projects, Ernst-Jung-Gasse 18 (Lokstadt Tender) in Winterthur and Auf der Höhe 12-18 (Am Schwinbach) in Arlesheim, have Implenla Group acting as general contractor. In terms of risks and rewards, a distinction is made between sold and unsold projects under construction as well as completed projects being sold:

- **Projects under construction:** During the construction phase, Ina Invest, as the owner of the plots of land, bears the material risks and rewards from the development and implementation until the units are sold to an end customer. Accordingly, acquisition cost for the plot of land and development costs attributable to the unsold units are recognised in promotional



properties. When units are sold, Ina Invest transfers the relevant portion of the fully developed land to the buyer, who concludes or has already concluded an agreement with a general contractor to build the unit. Ina Invest no longer bears any risks or rewards for these units after their sale, which is why the acquisition cost for the plot of land and development cost for this unit is de-recognized at the time of the transaction and no further development costs are recognised. Investment commitments towards the general contractor for the realization of units not sold yet are disclosed in note 3.2.

- **Projects in sale:** For units not sold, the cost of work performed by the general contractor is transferred to Ina Invest after construction is completed. Ina Invest is obliged to accept the work provided during the construction phase. Ina Invest sells units not yet sold by the end of the construction as turnkey units to the end customers. Ina Invest bears the material risks and rewards concerning the condominium apartments between the end of construction until the sale, therefore acting as seller of the portion of the plot of land and the respective development cost share.

The following table shows the change in the number of the projects' condominium apartments included in the promotional properties.

<u>In units</u>	<u>Projects under development</u>	<u>Projects under construction</u>	<u>Projects being sold</u>	<u>Total</u>
Balance as at 01.04.2020	174	-	-	174
Additions	66	-	-	66
Disposals from notarized sales	-	(3)	-	(3)
Transfer between categories	(39)	39	-	-
Balance as at 31.12.2020	201	36	-	237
<i>Of which reserved</i>	-	23	-	23

The additions in the reporting period result from the change in use of parts of the projects Chemin de l'Echo and Avenue des Grandes-Communes (Les Tattes) in Onex. For further information refer to note 2.2.

For details on the initial recognition at the date of the consolidated opening balance sheet as at 1 April 2020, please refer to note 1.2.



Results from the sale of promotional properties

Income from the sale of promotional properties is attributable to 3 condominium units in the project Ernst-Jung-Gasse 18 (Lokstadt Tender) in Winterthur, which were sold during the reporting year.

in CHF thousands	01.04.- 31.12.2020
Income from the sale of promotional properties	1,399
Direct expenses from the sale of promotional properties	(1,219)
Result from the sale of promotional properties	180

Accounting policies

In promotional properties, each unit is measured at the lower of acquisition cost and fair value less cost to sell. Any impairment to the lower fair value less cost to sell is recognized in the relevant category of the item promotional properties. Any value adjustments to the lower fair value less cost as well as value recoveries on promotional properties are recognised in the result for the period.

The **Projects under development** category includes plots of land already owned by Ina Invest or down payments on notarised land purchases as well as any directly attributable accrued development costs if construction has not yet been started.

The capitalised acquisition costs for projects are reclassified to the **Projects under construction** category when construction starts. This category contains plots of land or parts thereof that have not yet been sold and that contain properties whose construction has not yet been completed.

The capitalised acquisition costs of condominium apartments not yet sold include the plot of land on which they stand, the directly attributable development costs and the accrued costs assumed under the contract for the construction work and services performed up to that point.

Unsold condominium apartments whose construction has been completed are reported under **Projects in sale**. Ina Invest is obliged to take over the work that the general contractor has performed under its contract for work and services. The capitalised costs comprise the plot of land, the directly attributable development costs and the costs assumed under the contract for work and services. Ina Invest sells these as turnkey units to end customers, assuming the price and sales risk for unsold units but also receiving the economic benefit from their sale.

Income from the sale of promotional properties usually are the selling price. Units sold from projects under construction generally correspond to the price attributable to the portion of the plot of land, while income from the sale of turnkey units is recognised as the selling price for the unit's land and development cost. Proceeds resulting from the sale of plots of land or subplots as well as completed condominium apartments generally are recognised once the risks and rewards have been transferred to the buyer. This date is defined in the sales agreement (generally this is the date of transfer of ownership).



2.2 Investment properties

Investment properties comprise plots of land and properties that are expected to be held and managed over a longer period of time. This item includes properties under development, properties under construction and portfolio properties held for rent.

in CHF thousands	Properties under development	Property under construction	Portfolio properties	Total
Cumulative acquisition costs				
Balance as at 01.04.2020	159,771	-	-	159,771
Additions	25,565	14,104	51,650	91,319
Performance-based development fee	492	1,040	724	2,256
Transfer between balance sheet items	6,265	-	-	6,265
Transfer between categories	(47,623)	47,623	-	-
Balance as at 31.12.2020	144,470	62,767	52,374	259,611
Cumulative revaluations				
Balance as at 01.04.2020	-	-	-	-
Profit from revaluation	6,853	3,449	2,896	13,198
Loss from revaluation	(3,565)	-	-	(3,565)
Transfer between balance sheet items	(316)	-	-	(316)
Transfer between categories	(709)	709	-	-
Balance as at 31.12.2020	2,263	4,158	2,896	9,317
Carrying amounts of investment properties				
Balance as at 01.04.2020	159,771	-	-	159,771
Balance as at 31.12.2020	146,733	66,925	55,270	268,928

The contractual agreements with Implenia Group as a partner for the development of investment properties include a performance-based development fee for the services rendered (see note 4.3). This contractual arrangement applies to all investment properties in the portfolio as at the balance sheet date. The performance-based development fee corresponds to 20% of the project result between the market values and the investment acquisition costs before settlement of the performance-based



development fee. For Ina Invest, this contractual mechanism can lead to an increase or also a reduction of the development costs recognised on the basis of other contractual elements. Generally, the performance-based development fee is settled after completion of the development project. Thereafter, the development partner Implenia Group has no further share of a potential increase or reduction in the value of the investment property. The performance-based development fee recognised as at 31 December 2020 resulted in non-current receivables from and non-current liabilities to the developer (see note 2.5). Without the contractually agreed performance-based development fee, the profit from revaluation would amount to CHF 16,498 thousand and the loss on revaluation to CHF 4,609 thousand. The net profit from revaluation would be CHF 2,256 thousand higher than presented in the income statement as at the balance sheet date.

Of the additions to investment properties in the amount of CHF 93,575 thousand, CHF 86,867 thousand led to a cash outflow as at 31 December 2020. The remaining amount that was capitalised and resulted in accrued expenses or liabilities with Implenia Group, which were converted to equity during the reporting period. Please see note 3.4 for the conversion of accrued expenses (as at 1 April 2020 and additions during the reporting period) into equity.

The category Properties under development includes the Lokstadt Bestandeshallen property on Zürcherstrasse in Winterthur, which has a negative market value of CHF 27,610 thousand as at 31 December 2020 due to cross-site uses (e.g. kindergarten) (1 April 2020: negative market value of CHF 27,060 thousand). These cross-site increases the attractiveness of the surrounding properties. Implenia Group has therefore contractually agreed to assume an obligation of 40% of the cost of the work supplied by the general contractor up to a maximum of CHF 27,000 thousand plus VAT. This assumption of costs is subject to conditions regarding timing and specific use and requires a contract for work and services. The current carrying amount of the investment property has been set to zero as of 31 December 2020 (1 April 2020: zero). Furthermore, a non-current provision from loss making contracts in the amount of CHF 610 thousand has been recognised in the reporting period. The amount represents the best possible estimate of the negative value that an independent third party would assign to the development property under these circumstances. The provision has been recognised in other direct operating expenses.

Valuation methods

Property valuations are carried out by Wüest Partner Ltd, Zurich, an external, independent and qualified valuation expert. The properties are valued in accordance with the discounted cash flow method (DCF method), whereby the fair value of a property is determined by the sum of the entire estimated future net income discounted to the present value. The net income (EBITDA) for each property is discounted individually taking into account property-specific risks and rewards, as well as market conditions and risks. For properties under development or under construction, the value of the project is determined in three steps:

- Valuation of the property at the time of its completion, taking into account the current occupancy rate, market and cost estimates as at the cut-off date;
- Determination of the market value as at balance sheet date, in light of the forecasted future investments;
- Estimation of the risk, taking into account the separate cash flow of a cost item.



The discounting rates, market rents and vacancy rates have been identified as material non-observable input factors. The values used are summarised below.

Non-observable input factors used as at 31 December 2020

	Information in	Properties under development	Property under construction	Portfolio properties
Discount rate				
Discount rate, bandwidth	%	2.55%-3.65%	2.80%-3.65%	2.60%-3.20%
Achievable market rents				
Office space	CHF per m ²	205-280	261	350-602
Residential space	CHF per m ²	210-397	n/a	585
Hotel space	CHF per m ²	300	242	n/a
Parking space inside	CHF per unit	1,482-2,160	1,800-2,100	2,400
Commercial/industrial space	CHF per m ²	200-300	n/a	380
Others	CHF per m ²	90-265	50-400	120-130
Vacancies				
Bandwidth vacancy rate	%	1.50%- 5.00%	5.00%	4.20%-5.00%

Non-observable input factors used as at 1 April 2020

	Information in	Properties under development
Discount rate		
Discount rate, bandwidth	%	2.60%- 3.75%
Achievable market rents		
Office space	CHF per m ²	208-280
Residential space	CHF per m ²	210-397
Hotel space	CHF per m ²	240-300
Parking space inside	CHF per unit	1,482-2,160
Commercial/industrial space	CHF per m ²	200-300
Others	CHF per m ²	90-280
Vacancies		
Bandwidth vacancy rate	%	1.50%- 5.80%



Beyond that, uncertainties regarding future investments remain. Details on the valuation methods and assumptions are stated in the report by the valuation expert.

For more information on the initial recognition at the time of the opening balance sheet, please refer to note 1.2. Investment properties are subsequently measured at fair value.



Additions/transfers in the reporting period

The following additions from exercise of purchase rights and acquisitions as well as transfers resulting from changes in use took place during the reporting period:

Property	Description	From	To
Rue de Tivoli (construction areas B2 and B4), 2000 Neuchâtel	Purchase rights for construction areas B2 and B4 on Rue de Tivoli, Neuchâtel were exercised in April 2020 for a consideration of CHF 3,224 thousand.	Intangible assets; category "Purchase rights and purchase commitments"	Investment properties; category "Properties under development"
Schaffhauserstrasse 220-224, 8057 Zurich	The purchase right for project Schaffhauserstrasse 220-224, Zurich was exercised in October 2020 for a consideration of CHF 16,000 thousand.	Intangible assets; category "Purchase rights and purchase commitments"	Investment properties; category "Properties under development"
Rue du Valais 7, 1202 Geneva	An already existing portfolio property was purchased for a consideration of CHF 29,031 thousand at rue du Valais 7 in Geneva in October 2020.	-	Investment properties; category "portfolio property"
Chemin des Olliquettes 10, 1213 Petit-Lancy	An already existing portfolio property was purchased for a consideration of CHF 23,343 thousand at Chemin des Olliquettes in Petit-Lancy in October 2020.	-	Investment properties; category "portfolio property"
Chemin de l'Echo 9, 1213 Onex	In view of a change in laws in the Canton of Geneva, which stipulates that a part of the property must consist of condominiums, a part of the property Avenue des Grandes-Communes (Les Tattes) in Onex was transferred from investment properties to promotional properties.	Investment properties; category "Properties under development"	Promotional properties; category "Projects under development"
Avenue des Grandes-Communes (Les Tattes), 1213 Onex	In view of a change in laws in the Canton of Geneva, which stipulates that a part of the property must consist of condominiums, a part of the property Chemin de l'Echo in Onex was transferred from investment properties to promotional properties.	Investment properties; category "Properties under development"	Promotional properties; category "Projects under development"



The following properties are re-allocated between categories within investment properties:

Property	From	To
Zürcherstrasse 31 (Lokstadt Elefant), 8400 Winterthur	Properties under development	Properties under construction
Hegenheimermattweg 179 (Baselink Allschwil), 4123 Allschwil	Properties under development	Properties under construction

Encumbered investment properties

During the reporting period, collateral for a mortgage note used to finance a project was issued, thus encumbering the investment properties located at Schaffhauserstrasse 220-224 in Zurich and at Zürcherstrasse 31 (Lokstadt Elefant) in Winterthur. The recognised fair value of these two properties amounted to CHF 84,440 thousand as at 31 December 2020. As at balance sheet date, the credit facility remained undrawn. See note 3.1 for more information.

Significant Management assumptions and estimates

The investment properties have been valued at fair value, which correspond to the expected income, respectively cash flow discounted by applying a risk-adjusted discount rate. The valuations are based on different significant estimates and assumptions, such as the achievable market rents, the expected vacancy rates and the discount rate. Projects under development also require estimates and assumptions regarding future investments, permits and project timelines. Changes in these estimates and assumptions may cause material changes in the values recognised in the balance sheet.

The impact of COVID-19 had already been factored into the property valuations as at 1 April 2020. In the valuations of 31 December 2020, the market prospects and uncertainties resulting from COVID-19 have again been incorporated into the assumptions. Ina Invest's portfolio is geared to the long term, and a large portion of it consists of residential real estate. As expected, no effects could be determined that could be attributed directly to COVID-19 between 1 April 2020 and 31 December 2020. Should the assumptions and estimates change in this regard, there may also be significant changes in the values recognized in the balance sheet.



Accounting policies

The initial recognition is at acquisition cost including directly attributable costs. Acquisition costs include an estimate of the recognised part of the performance-based development fee to which the developer is contractually entitled. The property valuations prepared by the independent valuation expert form the basis of the estimate. Investments for replacements and expansions are capitalised if they are likely to generate future economic benefits for Ina Invest. This is generally the case if the market value or the value in use increases substantially or if the useful life is significantly extended.

Investment properties are subsequently measured at fair value, provided the value can be determined reliably. As a rule, this will be the case as soon as a specific project exists. If the fair value of a property cannot be determined reliably, it is recognised in the balance sheet at acquisition cost less any impairment. Changes in the fair value are recognised through profit or loss. The net income from revaluation of the investment properties is attributable to changes in their fair values.

Properties under development comprise undeveloped plots of land and properties where comprehensive work is planned. Construction, renovation or repurposing plans are prepared for these properties. The **Properties under construction** category consists of properties where a building permit has been granted and construction has already begun. Properties are reclassified to this category once construction starts. When a building is (partially) opened, it is transferred to the "Portfolio properties" category. **Portfolio properties** consists of properties which are held rented over a longer period of time or whose development is planned for the long-term.



2.3 Intangible assets

<u>in CHF thousands</u>	<u>Purchase rights and purchase commitments</u>	<u>Total</u>
Cumulative acquisition costs		
Balance as at 01.04.2020	27,404	27,404
Additions	223	223
Transfer between balance sheet items	(6,451)	(6,451)
Balance as at 31.12.2020	21,176	21,176
Cumulative impairments		
Balance as at 01.04.2020	-	-
Balance as at 31.12.2020	-	-
Carrying amount of intangible assets		
Balance as at 01.04.2020	27,404	27,404
Balance as at 31.12.2020	21,176	21,176

Of the additions to intangible assets in the amount of CHF 223 thousand, CHF 13 thousand led to a cash outflow as at 31 December 2020. The remaining amount that was capitalised resulted in accrued expenses or financial liabilities with Implenia Group, which were converted to equity during the reporting period. Please see note 3.4 for the conversion of accrued expenses (as at 1 April 2020 and additions during the reporting period) into equity.

The purchase rights for the construction areas B2 and B4 at Rue de Tivoli, Neuchâtel were exercised in April 2020. Moreover, purchase rights were exercised to acquire Schaffhauserstrasse 220-224, 8057 Zurich in October 2020. These two transactions resulted in a transfer to investment properties. For further information on these transactions, see note 2.2.

As at 31 December 2020, intangible assets include the purchase rights for plots of land located at Rue du Château in Préverenges (plot size: 2,763 m²). The execution of the purchase right shall take place when the neighbourhood plan becomes legally effective, but no later than 28 February 2025.



Purchase rights disclosed as intangible assets correspond to acquisition costs for purchase rights or purchase commitments. The nominal amount of non-recognizable commitments arising from purchase commitments amounts to a total of CHF 5,007 thousand (1 April 2020: CHF 24,230 thousand).

For more information on the initial recognition at the time of the opening balance sheet, please refer to note 1.2.

Accounting policies

Intangible assets are identifiable, non-monetary assets without physical existence. Intangible assets are recognised in the balance sheet at acquisition or production costs less accumulated amortization and impairment.

In the case of purchase rights, Ina Invest acquires the right to purchase a plot of land. The payment of purchase rights as well as accrued development services by third parties and own services are recorded as intangible assets, provided there is contractual evidence of acquiring the plot of land but the plot has not yet passed into the ownership of Ina Invest. Purchase rights and purchase commitments for properties are recognised at acquisition costs. They are not amortised subsequently as the purchase rights are not used during the useful life and as the underlying land parcels are not subject to wear and tear.

Intangible assets are subject to an impairment test at each sheet date. If there is an indication that intangible assets could be impaired, the recoverable amount is determined. The recoverable amount is the higher of the net selling price and the value in use. Should the carrying value of the asset exceed the recoverable amount, an impairment is recorded in the result for the period. Reversal of past impairment losses are recognised in the result for the period.

2.4 *Accrued expenses and deferred income*

Accrued expenses and deferred income amounting to CHF 1,439 thousand as at 31 December 2020 mostly consist of non-invoiced costs from development services, capital taxes, accounting and consultation services accrued during the reporting period.

All of the accrued expenses and deferred income amounting to CHF 34,398 thousand as at 1 April 2020 are accrued expenses to the affiliated Implenla Group. In the course of transferring development projects to Ina Invest Ltd, accrued expenses arose for site and development costs. During the capital increase of the subsidiary, Ina Invest Ltd, that took place on 17 June 2020, accrued expenses in the amount of CHF 40,131 thousand were converted to equity. For further information, please refer to note 3.4.

Accounting policies

Accrued expenses are recognised and measured at nominal value.



2.5 Other non-current receivables and liabilities

<u>in CHF thousands</u>	<u>31.12.2020</u>	<u>01.04.2020</u>
Receivables from performance-based development fee	1,044	-
Total other non-current receivables	1,044	-

<u>in CHF thousands</u>	<u>31.12.2020</u>	<u>01.04.2020</u>
Payables from performance-based development fee	3,300	-
Payables from development costs for properties	1,131	-
Total other non-current liabilities	4,430	-

Receivables and payables from the performance-based development fee have resulted from the contractually agreed variable development fee of Implenia Group. For further information, please refer to notes 2.2 and 4.3.

Accounting policies

Receivables and payables from the performance-based development fee are measured at the estimated fair value. Other non-current liabilities are recognised and measured at nominal value.

2.6 Rental income from properties

During the reporting period, Ina Invest generated rental income from investment properties amounting to CHF 791 thousand. This rental income is attributable to the three investment properties located at Chemin des Oliquettes 10 in Petit-Lancy, Rue du Valais 7 in Geneva and Schaffhauserstrasse 220-224 in Zurich.

<u>in CHF thousands</u>	<u>01.04.- 31.12.2020</u>
Rental income from properties	791
Direct rental expenses	(69)
Result from rental of properties	722

Maturity of long-term rental agreements

This maturity schedule shows the terms of commercial rental agreements (e.g. for hotels, commercial and industrial uses). Rental income from residential properties is not included as these agreements may be terminated on a short-term notice.



in CHF thousands	31.12.2020
Rental income within 1 year	2,303
Rental income within 2 to 5 years	14,523
Rental income after 5 years	38,899
Total future rental income from perpetual leases (without residential properties)	55,726

Most important tenants

The rental income of the following five most important tenants accounts for 63.1% of the entire target rental income during the reporting period.

In %	01.04.- 31.12.2020
SA Régie du Rhône	41.1%
Mission Permanente de l'Inde	12.0%
Genèveroule	3.6%
Fondation Suisse du Service Social International	3.2%
Guinée - Mission Permanente	3.2%
Total	63.1%

Rental losses due to vacancies

Rental losses due to vacancies in portfolio properties amounted to CHF 13 thousand during the reporting period, which corresponds to a vacancy rate of 1.4% (comparing vacancies to target rental income).

Accounting policies

Rental income from the letting of properties represents net rental income, i.e. target rental income less rental losses and vacancy losses.

Rental agreements are operating leases. Rental income is recognised in the income statement on an accrual basis over the lease term. If tenants are granted significant rent incentives (e.g. rent-free periods), the equivalent value of the incentive is recognised on a straight-line basis over the entire term of the lease as an adjustment to income from rentals.

2.7 Segment reporting

Ina Invest is currently only active on the Swiss market. The property portfolio, comprising promotional and investment properties, is managed as a single entity by the Board of Directors and Executive Management. In accordance with Swiss GAAP FER 31, the Group therefore has a single segment. Therefore, no segment report is presented.



2.8 Other operating expenses

<i>in CHF thousands</i>	01.04.- 31.12.2020
Capital increase cost	(2,007)
Accounting and consultation fees	(806)
Capital taxes	(460)
Interest expenses related to building leases	(95)
Marketing	(94)
Administrative expenses	(81)
Other operating expenses	(61)
Total other operating expenses	(3,604)

The capital increase costs recognised in profit or loss for the period are costs that are not directly related to the actual transaction of the capital increase. This includes, for example, legal advisory expenses, expenses for project management and project support by external service providers.

3 Financing

This section contains information on the financing of the Group through debt and equity.

3.1 Financial liabilities

<i>in CHF thousands</i>	Currency	Interest rate	Maturity	31.12.2020	01.04.2020
Loans with related parties	in CHF	2.25%	31.12.21	-	20,000
Total loans				-	20,000
<i>Of which current</i>				-	20,000

In the course of the asset transfer as at 1 April 2020, Implenia Group granted Ina Invest Ltd a loan amounting to CHF 20,000 thousand. The loan was reported as a current financial liability due to the termination option.

In the course of Ina Invest Ltd's capital increase on 17 June 2020, CHF 19,126 thousand of this loan was converted into equity in Ina Invest Ltd. This transaction had an impact on the minority interests of Implenia Group. For further information, please refer to note 3.4. The remaining portion of CHF 874 thousand was repaid during the reporting period.



During the reporting period, Ina Invest concluded two framework credit agreements at the following terms and conditions:

	Investment properties	
	31.12.2020	01.04.2020
Amounts of credit framework in CHF thousands	85,600	-
Property liens in CHF thousands	85,600	-
Credit sum drawn down as at balance sheet date in CHF thousands	-	-
Maturity period	perpetual	-
Interest rate	Variable, not determined yet	-

For further information on property liens, please refer to note 2.2.

Accounting policies

Financial liabilities are initially recognised at fair value less directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

Financial liabilities due within 12 months of the balance sheet date are classified as current financial liabilities.

3.2 Non-recognisable commitments

As at 31 December 2020, the Group has off-balance sheet commitments arising from agreements concluded with Implen Group in relation to future developments and construction investments amounting to CHF 106,400 thousand (1 April 2020: CHF 130,824 thousand).

in CHF thousands	31.12.2020	01.04.2020
Promotional properties	49,206	56,383
Investment properties	57,194	74,441
Total non-recognisable commitments from future development and construction investments	106,400	130,824

Furthermore, Ina Invest has commitments for non-recognisable leases amounting to CHF 116,854 thousand as at 31 December 2020 (1 April 2020: CHF 116,949 thousand) arising from building leases with a residual term to maturity of about 36 to 99 years. CHF 116,005 thousand (1 April 2020: 116,190 thousand) of which are due in more than five years.



Accounting policies

In the case of an agreement to use the plots for which building leases interest is paid, the company shall assess whether the expenditure should be classified as operating lease or finance lease. Payments made for an operating lease are recognised in the income statement for the duration of the lease or the leasehold.

3.3 Contingent liabilities

Each financial year, Implenia Group may sell up to 5% of its investment in Ina Invest Ltd to Invest Holding Ltd (put option). In doing so, the company may decide whether it prefers cash or Ina Invest Holding shares in consideration. If Implenia Group exercises the put option, the sales price will equal the implicit market value of Ina Invest Ltd. The implicit market value will be determined based on the share price of Ina Invest Holding Ltd. The value of the associated contingent liability is estimated at CHF 119,599 thousand as at 31 December 2020 (1 April 2020: CHF 82,496 thousand).

Accounting policies

Payment commitments to minority shareholders arising from their put options for the corresponding minority interests are equivalent to contingent liabilities and are therefore not recognised in the balance sheet.

3.4 Equity

Share capital

The share capital of the parent company, Ina Invest Holding Ltd, amounts to CHF 265,997 as at 31 December 2020 (1 April 2020: CHF 110,832) and consists of 8,866,560 registered shares with a nominal value of CHF 0.03 each (1 April 2020: 3,694,400 registered shares with a nominal value of CHF 0.03 each). A capital increase was carried out when the Company went public on 12 June 2020, creating 5,172,160 new shares with a nominal value of CHF 0.03 each, which have been fully paid up.

Shareholders are entitled to receive the fixed dividends as well as one vote per share at the Company's Annual General Meeting.

Authorised share capital

In accordance with the Company's Articles of Association, the Board of Directors is entitled to increase the share capital by a maximum of CHF 53,199.36 at any time until 2 June 2022 by issuing up to 1,773,312 registered shares with a nominal value of CHF 0.03 each, which are to be fully paid up.

Several increases, each worth part of this amount, are permitted. The Board of Directors determines the issue price, the type of contributions, the timing of the issue, the criteria for exercising subscription rights and the time at which a dividend entitlement starts to apply. In the case of a capital increase from authorised capital, the Board of Directors is entitled to withdraw or restrict shareholders' subscription rights up to a maximum of 886,656 registered shares provided certain criteria set out in the Articles of Association are met.



Conditional share capital

In accordance with the Company's Articles of Association, the conditional share capital can be increased by a maximum of CHF 13,299.84 by issuing up to 443,328 registered shares with a nominal value of CHF 0.03 each, which are to be fully paid up. Such an increase is to be carried out by exercising option rights granted to employees or members of the Board of Directors of the Company or group companies.

Capital reserves and minority interests in equity

The capital reserves correspond to the difference between, on the one hand, the monetary contributions and contributions in kind made by shareholders as valued in accordance with the provisions of Swiss GAAP FER and, on the other hand, the nominal values of the shares received associated with the respective stages of contribution. Moreover, in accordance Swiss GAAP FER, share-based compensations are recognised in capital reserves (see note 4.2). Due to valuation differences the capital reserves reported in the consolidated balance sheet are not identical to the capital reserves in accordance with the Company's separate financial statements.

The impact of the capital increase of 12 June 2020 on the Company's equity is presented below:

in CHF thousands	Share capital	Capital reserves	Retained earnings	Shareholders' equity	Minority interests	Total equity
Proceeds from capital increase	155	112,972	-	113,127	-	113,127
Other capital increase expenses	-	(2,383)	-	(2,383)	-	(2,383)
Capital increase	155	110,589	-	110,744	-	110,744

On 17 June 2020, Ina Invest Ltd increased its capital, in which Implenia Ltd also participated as a minority shareholder. Ina Invest Holding Ltd. invested CHF 108,940 thousand in Ina Invest Ltd. During the capital increase, the capital and voting rights share of Implenia Ltd in Ina Invest Ltd were reduced from 49.9% to 42.5%. The transaction's impact on the Company's equity is presented in the following overview:



in CHF thousands	Share capital	Capital reserves	Retained earnings	Shareholders' equity	Minority interests	Total equity
Conversion of accrued expenses with Implenia Group	-	-	-	-	40,131	40,131
Conversion of loan with Implenia Group	-	-	-	-	19,126	19,126
Capital increase costs	-	(1,106)	-	(1,106)	(818)	(1,924)
Income tax on capital increase expenses	-	213	-	213	157	370
Re-allocation	-	3	-	3	(3)	-
Capital increase subsidiaries	-	(890)	-	(890)	58,593	57,703

The capital contributions made by the Company's shareholders and the minority shareholder did not fully match the new shareholding ratios, which resulted in a re-allocation.

In the reporting period, costs of CHF 9,146 thousand were incurred in connection with capital increases, of which CHF 7,139 thousand were recognised in equity and CHF 2,007 thousand were charged to the income statement. Of the capital increase costs recognised in equity, CHF 2,832 thousand were netted directly against the proceeds from the capital increase; the net amount was then transferred to Ina Invest. The item was presented in the cash flow statements under proceeds from capital increase.

Treasury shares

	Ø transaction price in CHF	Number of registered shares	Portfolio in CHF thousands
Balance as at 01.04.2020		-	-
Acquisition of treasury shares	17.42	9,500	165
Balance as at 31.12.2020		9,500	165

The transaction price always corresponded to the market price.



Accounting policies

Directly attributable transaction costs from equity transactions such as capital increases are recognised in equity as a reduction in capital reserves after deducting the associated income tax.

Treasury shares are recognised at acquisition cost at the date of acquisition. In case of a resale, the gain or loss incurred is recognised in the capital reserves.



3.5 Net Asset Value (NAV) / earnings per share

in CHF thousands	31.12.2020	01.04.2020
Promotional properties	76,000	70,550
Investment properties	268,928	159,771
Intangible assets (purchase rights)	21,176	27,404
Total value of property portfolio	366,104	257,725
Cash and cash equivalents	14,118	1,202
Trade accounts receivable	453	-
Other current receivables	1,174	-
Accrued income and prepaid expenses	1,295	-
Other non-current receivables	1,044	-
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)
Deferred tax liabilities	(39,496)	(39,208)
Other non-current liabilities	(4,430)	-
Non-current provisions	(610)	-
NAV (equity including minorities)	337,589	165,322
NAV (equity excluding minorities)	194,036	82,826
NAV (shareholders' equity excluding minorities) per share (in CHF)	21.91	22.40

As at 31 December 2020, earnings per share are calculated as follows:

In CHF thousands, as indicated	01.04.- 31.12.2020
Profit attributable to shareholders of Ina Invest Holding Ltd	1,394
Weighted average number of shares outstanding	7,513,045
Earnings per share (in CHF)	0.19
Profit attributable to shareholders of Ina Invest Holding Ltd	1,394
Weighted average number of shares outstanding	7,515,172
Diluted earnings per share (in CHF)	0.19



4 Other disclosures

This section contains information that has not already been disclosed elsewhere in the consolidated annual financial statements.

4.1 Income taxes

Income tax expenses

Income tax expenses are composed of the following:

in CHF thousands	01.04.- 31.12.2020
Current year income taxes	82
Deferred income taxes	659
Total income taxes	740

The average applicable tax rate based on the ordinary result is 21.1% (1 April 2020: 19%). The reasons for the deviations from the effective tax burden are as follows:

in CHF thousands	01.04.- 31.12.2020
Earnings before income taxes	4,598
Expected income tax rate	21.1%
Expected income taxes	972
Taxes at other rates (incl. property gains taxes)	(666)
Effects from non-capitalised tax losses carried forward	1,537
Other effects	(1,103)
Effective income taxes	740
Effective income tax rate	16.1%

The other effects amounting to CHF 1,103 thousand result from capital increase costs recognised in profit or loss in the Company's tax accounts, which were offset against equity in the consolidated financial statements. The reconciliation item results from the separate presentation of non-capitalised tax losses carried forward incurred in the reporting period (gross presentation of effects).



Deferred tax liabilities and deferred tax assets

in CHF thousands	01.04.- 31.12.2020
Deferred tax liabilities as at 01.04.2020	39,208
Increase from revaluations and depreciation	1,421
Capitalised tax losses carried forward	(1,133)
Deferred tax liabilities as at 31.12.2020	39,496

If a revaluation in the consolidated balance sheet in comparison to the tax values involved recoverable write-offs, the taxes were segregated for each property after deducting any property gains tax and considered separately. For this, income tax rates ranged between 12% and 20% (1 April 2020: 12% to 20%).

Two different taxation systems are used if revaluations exceed the recoverable write-offs. In cantons that do not foresee any special taxation, the taxes are also calculated with the tax rates mentioned above. Other cantons levy separate property gains tax ranging from 20% to 40% (1 April 2020: 20% to 47%), depending on the duration of ownership plus direct federal taxes of 7.83%.

Ina Invest generally expects the duration of ownership to be at least 20 years, which is why no speculation surcharges have been considered. In the case of promotional property, the actual holding period up to the date of sale is considered.

During the reporting period, deferred tax assets amounting to CHF 1,133 thousand were recognised on tax losses carried forward as it seems likely that these may be netted with future profits. Deferred tax assets were netted with deferred tax liabilities. For tax losses carried forward amounting to CHF 7,266 thousand, no deferred taxes assets were recognised as it is not considered likely that they can be netted with future profits. Tax losses carried forward expire within 7 years.

Significant Management assumptions and estimates

In certain cantons, the taxation of profits from the sale of a property is subject to a special property gains tax. The level of the relevant tax rate depends on the property's holding period and may vary greatly. Should the actual holding period for the properties differ from the expected holding period, this will produce a tax burden that diverges from the accrued deferred tax liabilities once the sale has gone through.



Accounting policies

Income taxes include all current and deferred income taxes. Current year income taxes are determined based on the taxable results. Deferred income taxes are calculated based on the temporary differences between Swiss GAAP FER balance sheet items and the values indicated in the tax balance sheet, i.e. the view depends on the balance sheet. Deferred taxes are calculated using the expected tax rates applicable and the property gains tax on properties sold.

Deferred tax credits for temporary differences which may be deducted and tax losses carried forward are only recognised to the extent that it is probable that future taxable profit will make such a claim possible. Deferred tax assets are reviewed as at every balance sheet date and reduced to the point where it is no longer likely that the relevant tax benefit can be realised.

Current year and deferred income tax liabilities and assets are netted if they are levied by the same tax authorities and pertain to the same taxable entity.

4.2 Personnel

Personnel expenses and pension schemes

in CHF thousands	01.04.- 31.12.2020
Wages and salaries	(532)
Share-based payments	(127)
Pensions expenses	(49)
Social security expenses	(61)
Other personnel expenses	(21)
Total personnel expenses	(789)

In the reporting period, Ina Invest employed one employee who was enrolled in the legally independent defined contribution pension plan, Implenia Vorsorge. This pension plan provides benefits in case of retirement, death or disability. It is financed through contributions made by the employer and the employee. These contributions are calculated as a percentage of the insured salary. The most current available funded status of the pension fund, Implenia Vorsorge, amounted to 119.9% as at 31 December 2019. As at this cut-off date, the pension plan was overfunded. Ina Invest does not expect any significant changes in the financial situation of Implenia Vorsorge. As at the balance sheet date, there was neither an economic benefit nor an economic obligation. As at 31 December 2020, there were neither payables nor receivables to/from the pension scheme (1 April 2020: zero).

Share-based payments

The members of the company's Board of Directors receive an annual lump-sum compensation for their services, depending on their function. The Board of Directors' remuneration is paid to two-thirds in cash and to one-third in blocked shares of Ina Invest Holding Ltd. The shares allocated to Board



members remain blocked for three years after they have been allocated. However, they are endowed with voting rights and the right to draw dividends. In order to calculate the number of shares to be allocated to each Board member, the company takes the average Ina Invest Holding Ltd share price in the month of December of the relevant year in office. The allocation of a total of 8,084 shares took place on 4 January 2021.

The remuneration of Management (CEO) consists of a base salary in cash and a performance-related variable component from the Short-Term Incentive Plan (STIP). 50% of the STIP payment is paid in cash and 50% in Restricted Share Units (RSUs). These are usually allocated in February of the calendar year after the reporting period. For each RSU the holder is granted one registered share in Ina Invest Holding Ltd on the third anniversary of the granting. A CEO leaving the company between the grant date and the third anniversary is entitled to receive a pro rata number of RSUs. In order to calculate the number of allocated RSUs as at the balance sheet date, the prevailing average Ina Invest Holding Ltd share price is taken for the month of January after the balance sheet date. The assumed allocation of 2,920 RSUs is an estimate of the remuneration for the purpose of the accounting based on the relevant average share price as at 31 December 2020.

The lump-sum payment of the Board of Directors in shares and the STIP portion for the CEO which is paid in RSUs are equity-settled share-based payments. Expenses related to the share-based payments are recognised over the vesting period. In the case of a Board member, this is one year of service. Expenses related to CEO's STIP are recognised over a period beginning with the start of the business year when the services were rendered and ending on the third anniversary after the RSUs have been granted.

Accounting policies

Personnel expenses are recognised in the period, in which the services were rendered.

Whether a pension scheme has an over- or underfunding is determined from its annual financial statements prepared in accordance with Swiss GAAP FER 26. An economic obligation is recognised as a liability if the conditions for creating provisions are fulfilled. An economic benefit is capitalised if Ina Invest can use it for future pension plan contributions. Personnel expenses comprise the employer contributions accrued for the period as well as any effects due to changes in any economic benefits or economic obligations.

Share-based payments paid with equity instruments are valued at their fair value prevailing on the day of the grant and recognised as personnel expenses and in equity over the vesting period. The grant date fair value is determined using valuation models used for the registered shares' market rates at the grant date.

4.3 Related party transactions

Besides the company's Board of Directors and Management, Implenia Ltd and organisations controlled by it (jointly known as "Implenia Group") are deemed to be related parties.

Ina Invest maintains a strategic partnership with Implenia Group, which is why it has concluded several long-term agreements with Implenia ending on 31 December 2030. These agreements refer to the



investment in Ina Invest Ltd, financing, the development portfolio as well as the development and construction projects of Ina Invest.

List of the most important agreements with related parties

Agreement	Description	Most important terms and conditions
Shareholders' agreement	On 26 May 2020, Ina Invest Holding Ltd., Implenia Ltd. and Ina Invest Ltd. concluded a shareholders' agreement regarding the shares of Ina Invest Ltd. The shareholders' agreement may be terminated by any party with a notice period of 6 months as at the end of every calendar year, with the first possible termination being 31 December 2030.	The most important aspects of the shareholders' agreement are: <ul style="list-style-type: none">- exclusive investment (regulating investments outside of Ina Invest Ltd.)- Veto rights (for matters requiring the approval of minority representatives)- Governance (regulating who is to sit on the Board of Directors)- Prohibition and limitation to transferring shares- Put option for shares of Ina Invest Ltd. (see note 3.3)
Portfolio management service agreement	On 26 May 2020, Ina Invest concluded a service level agreement with Implenia Real Estate Services Ltd. The agreement may be terminated by any party with a notice period of a year, with the first possible termination being 31 December 2030.	The agreement addresses the scope of services, which Implenia Real Estate Services Ltd is to render. <ul style="list-style-type: none">- Portfolio management: fee of 0.20% per annum on the average market value of the managed property portfolio- Investment management: fee of 0.30% per annum on the average market value of the properties managed- Representation during the project: fee of 1.00% to represent the builder (this may be subject to an additional fee of 2.00% of building costs incurred by contractually agreed external service providers)- Corporate services: monthly flat fee of CHF 25,000; services that go beyond what was agreed upon are charged separately <p>However, the authority to select and decide on the scope of services remains with Ina Invest.</p>



Master agreement for development cooperations and realisations

On 26 May 2020, Ina Invest concluded a master agreement with Implenla Immobilien Ltd and Implenla Schweiz Ltd that began retroactively from 1 May 2020. The master agreement addresses general terms and conditions of the parties' collaboration when developing real estate; Ina Invest applies these in full to contracts or realisation agreement with Implenla Schweiz Ltd. The master agreement may be terminated by any party with a notice period of one year, with the first possible termination being 31 December 2030.

The conditions applicable to the collaboration on the development of real estate essentially include:

- Acquisitions: transaction fee depending on the sales price of the relevant property or the purchase rights. The fee ranges from 0.80% (if the sales price is CHF 150 million or higher) to 1.50% (if the sales price is lower than CHF 50 million).
- Individual development agreements: the fee depends on the type of project (processing based on planning law/selection procedure: between 0.10% and 0.25% of the budgeted value of the project; preliminary projects/construction projects: 0.45% of the budgeted project value)
- Marketing and Sales: transaction fee of a maximum of 2.50% of the sales price of promotional properties. The fee ranges from 0.80% (if the sales price is CHF 150 million or more) to 1.50% (if the sales price is less than CHF 50 million).

In addition to the fees mentioned above, Implenla Immobilien Ltd receives a performance-based development fee of 20% of the project results (positive and negative contribution).

As is regulated by the master agreement mentioned above, Implenla Group generally has the right to "first call" the general contractor service contracts with Ina Invest Ltd at defined target costs. Target costs are determined by an independent third-party expert, taking into consideration the targeted yield defined by Ina Invest Ltd. By signing a general contractor agreement, Implenla Group grants Ina Invest Ltd the right to total transparency of its construction cost accounts. Should Implenla Group waive its right to conclude a general contractor agreement at the price stipulated or if Ina Invest Ltd's Board of Directors can credibly demonstrate legitimate corporate interest that another company should do it, the construction agreement is tendered.

Transactions with related parties

The following list shows the amounts included in balance sheet held towards related parties. The balances resulted from services under the portfolio management service agreement, the master agreement for development cooperation and realisation and project specific agreements.



in CHF thousands	31.12.2020	01.04.2020
Accrued income	1,262	-
Other non-current receivables	1,044	-
Financial liabilities	-	(20,000)
Accrued expenses	(552)	(34,398)
Other non-current liabilities	(4,430)	-

Promotional properties, investment properties and intangible assets arising from the development cooperation were capitalised during the reporting period. The amounts disclosed for promotional properties in the following were reduced by the de-recognised acquisition costs that arose in connection with sales of promotional properties. Transfers between balance sheet items take into account the entire capitalised amount of the balance sheet item in which the property is disclosed as at the balance sheet date.

in CHF thousands	01.04.- 31.12.2020
Promotional properties	7,042
Investment properties	21,247
Intangible assets	38

The following list shows the expenses included in the income statement resulting from transactions with related parties. They resulted from services under the portfolio management service agreement.

in CHF thousands	01.04.- 31.12.2020
Other operating expenses	(1,407)
Financial expenses	(208)

Accounting policies

Related parties are deemed to be those who could have a significant influence on financial and/or operating decisions of Ina Invest Ltd. This is true for board members, members of management, significant shareholders with voting rights above 20% as well as pension plan schemes. Transactions executed at conditions that are not at arms' length are disclosed separately in the consolidated financial statements. This could include transactions without a price, such as making available know-how or transferring results of research and development.

4.4 Additional information on the cash flow statement

The transfer of assets on 1 April 2020 and the conversion of accrued expenses into shareholder's equity on 17 June 2020 resulted in transactions not affecting cash and cash equivalents in the reporting period.



In the reporting period, a fixed-term deposit with a maturity of more than 90 days was concluded which was also due in the reporting period. This resulted in payments from investments into securities and proceeds from disposals of securities in the amount of CHF 30,000 thousand each.

4.5 *Other accounting policies*

Cash and cash equivalents

Cash and cash equivalents include bank balances with a residual term of a maximum of 90 days. These are measured and recognised at nominal value.

Trade account receivables and other short-term receivables

Receivables are recognised in the balance sheet at nominal value less impairments required for business management reasons. Material receivables are valued individually. An impairment is made for the remaining receivables based on historic data.

Accrued income and prepaid expenses

Accrued income and prepaid expenses are recognised and measured at nominal value.

Trade accounts payable, other short-term liabilities and advance payments for promotional properties

Trade accounts payable, other short-term liabilities and advance payments for promotional properties are recognised and measured at nominal value.

4.6 *Events after the balance sheet date*

The Board of Directors approved the consolidated financial statements on 25 February 2021.

Ina Invest is not aware of any events after the balance sheet date that have a material impact on the consolidated financial statements.

Additional information on the properties

Balance sheet item	Category	Market value in CHF thousands	Net annualised property rent (CHFk)	Vacancy in %	Year of construction / Estimated completion	Year of renovation	Ownership	Total land (sqm)	Useable area (sqm)	Office space in % of useable area	Residential space in % of useable area	Hotel in % of useable area	Trade/industry in % of useable area	Other in % of useable area	Parking units (in addition to useable area)	
Nordstrasse 1B (Unterfeld Süd), 6340 Baar	IP	DE	40550		2027		SO	5115	8604	0	93	0	7	0	86	
Dialogplatz 1 (Lokstadt Rocket), 8400 Winterthur	IP	DE	26230		2025		SO	567	7824	0	95	0	5	0	58	
Dialogplatz 1 (Lokstadt Rocket), 8400 Winterthur	PP	DE	34220		2025		CO	567	7824	0	95	0	5	0	58	
Ernst-Jung-Gasse 1B (Lokstadt Tender), 8400 Winterthur	PP	CO	22370		2023		CO	620	4083	0	96	0	4	0	30	
Auf der Höhe 12-18 (Schwinbach), 4144 Arlesheim	PP	DE	19740	2	0.0	2025		CO	8119	5588	0	97	0	0	3	70
Schaffhauserstrasse 220, 222, 224, 8057 Zürich	IP	DE	24110	177	0.0	1931	2024	SO	1798	3418	0	100	0	0	19	
Rue de Tivoli (Baufeld 4), 2000 Neuchâtel	IP	DE	300		2024		SO	1459	1536	0	100	0	0	0	32	
Avenue des Grandes- Communes (Les Tattes), 1213 Onex	PP	DE	493		2027		BR	1188	290	0	100	0	0	0	0	
Chemin de l'Echo 9, 1213 Onex	IP	DE	7479		2024		BR	6790	7137	0	100	0	0	0	81	
Chemin de l'Echo 9, 1213 Onex	PP	DE	10		2024		BR	210	55	0	100	0	0	0	19	
Total residential properties			175 602	179				26 433	46 360						453	
Nordstrasse 3 (Unterfeld Süd), 6340 Baar	IP	DE	24490		2026		SO	4761	13760	92	0	0	0	8	100	
Zürcherstrasse 31 (Lokstadt Elefant), 8400 Winterthur	IP	CO	60330		2022		SO	3050	13014	97	0	0	0	3	59	
Solarstrasse 11-21 (KIM, Häuser Bodmer und Brown), 8404 Winterthur	IP	DE	10280		2027		SO	5913	18610	98	0	0	0	2	102	
Rue du Valais 7, 1202 Genève	IP	PO	31550	286	2.9	1961	2026	SO	1076	1948	73	0	10	17	3	
Chemin des Olliquettes 10, 1213 Petit-Lancy	IP	PO	23720	325	0.0	2010		SO	707	2595	100	0	0	0	24	
Hegenheimermattweg 179 (BaseLink Allschwil), 4123 Allschwil	IP	CO	6596		2022		BR	2949	8561	0	0	95	2	3	79	
Total commercial properties			156 966	611				18 456	58 488						367	
Ernst-Jung-Platz (Lokstadt Tigerli), 8400 Winterthur	IP	DE	5670		2025		SO	1191	6391	0	60	30	10	0	36	
Zürcherstrasse (Lokstadt Bestandeshallen), 8400 Winterthur	IP	DE	0		2024		SO	7682	8032	15	0	44	6	35	0	
Rue de Tivoli (Baufeld 2), 2000 Neuchâtel	IP	DE	2317		2024		SO	3997	5180	25	75	0	0	0	88	
Avenue des Grandes-Communes (Les Tattes), 1213 Onex	IP	DE	5306		2027		BR	12 013	13 209	5	89	0	6	0	177	
Total properties with mixed usage			13 293					24 883	32 812						301	
thereof market value promotional properties¹			76 833													
thereof market value investment properties			268 928													
Cost participation Implemia Group Lokstadt Bestandeshallen ²			-27 000													
Non-current provision Lokstadt Bestandeshallen ²			-610													
Market value purchase rights (not included in table above)			26 190													
Total market value according to valuation report of independent valuation expert			344 341													

Legend

Balance sheet item: PP – Promotional properties IP – Investment properties
 Category: DE – Development CO – Construction PO – Portfolio
 Ownerships: SO – Sole ownership JO – Joint ownership
 CO – Condominium ownership BR – Building rights

¹ The current value of promotional properties diverges from the carrying amounts disclosed in the consolidated financial statements because promotional properties are carried at cost.
² Refer to note 2.2 of the consolidated financial statements.

Project descriptions

Nordstrasse construction area 1B (Unterfeld Süd), 6340 Baar

Balance sheet item	Investment property under development
Project description	The Unterfeld site is one of the last major continuous building-land reserves in the canton of Zug. It is located on the border between Baar and Zug. A mixed residential/commercial neighbourhood with open spaces of varied design and three high-rise structures will be created in the immediate vicinity of the Lindenpark suburban railway station. The site will accommodate around 1,000 residents and also create 2,000 jobs. The development will include a residential tower block (50 metres) in Construction Area 1B that will be surrounded by a spacious green area and include attractive rental flats offering a view of Lake Zug and the Alps. The ground floor is designed as a space for public use and will face the adjacent central square.
Project status	A high-level conceptualisation has been set up based on the building and zoning code revised in September 2020. Specifications for the design competition will be determined once the building permit for the first stage has been issued.
Expected date of completion	Q4/2027

Dialogplatz 1 (Lokstadt Rocket), 8400 Winterthur

Balance sheet item	Promotional property under development Investment property under development
Project description	In the centre of Winterthur, one of the tallest residential buildings in Switzerland is being built as a landmark in the Lokstadt. The Rocket project, which according to the design plan can be up to 100 m high, will be one of Winterthur's three significant high-rise buildings. It will shape the city's silhouette and provide a special view over the city. Around 93 condominium units and 93 rental flats will be complemented by commercial space on the ground floor.
Project status	The legally binding layout design "Werk 1" is the conceptual basis. The fundamentals for the study contract will be determined in Q1/2021 with the help of a test planning before it is launched in the 2nd half of the year. Construction will start at the beginning of Q1/2023, with the project end scheduled for Q4/2025.
Expected date of completion	Q4/2025



Ernst-Jung-Gasse 18 (Lokstadt Tender), 8400 Winterthur

Balance sheet item	Promotional property under development
Project description	The Tender building – a striking structure that immediately captures one’s attention – will be located on the Lokstadt 2000-Watt Site. Among other things, the building’s claim to sustainability is reflected in the use of long-lasting materials and energy-efficient building service systems. The ten-storey Tender building will have 39 condominiums and a commercial unit on the ground floor. Along with their private balconies, residents will be able to enjoy a spacious outdoor roof terrace offering a view of the city of Winterthur. The apartments are designed to make a big impression with their well thought out floor plans, bright rooms that can be used flexibly, and high-quality furnishings and facilities. The building will also feature an attractive entrance lobby – with the entire complex embedded in the cultural legacy of Lokstadt, whose factory halls bear witness to the historical importance of the former locomotive manufacturing site. In this sense, the Tender blends in with its surroundings with great self-assurance.
Project status	Construction began in Q2/2020; the ceiling of the 1st floor has been poured, currently walls of the 2nd floor are being constructed.
Expected date of completion	Q2/2023

Auf der Höhe 12-18 (Am Schwinbach), 4144 Arlesheim

Balance sheet item	Promotional property under development
Project description	The Schwinbach project in Arlesheim involves the construction of new residential buildings. Four buildings with 52 high-quality residential units will be built here, whereby the project stands out through its special timber architectural structure, impressive design and atmosphere, sustainable construction approach and close proximity to natural surroundings. The residential complex’s hillside location ensures panoramic views from the upper floors of the buildings. The complex will be located in the immediate vicinity of the famous Goetheanum in the middle of an exclusive residential area in sought-after Arlesheim. The goal of this development project is to create a healthy residential space in Schwinbach in an area close to attractive natural surroundings, and to do this in a manner that ensures an organic design of the extensive outdoor spaces.
Project status	Building permit application submitted
Expected date of completion	Q3/2025



Schaffhauserstrasse 220, 222, 224, 8057 Zurich

Balance sheet item	Investment property under development
Project description	The existing building on the site is to be replaced by a modern structure with high-quality rental flats. The mixture of flats will be aligned with the specialised demand for small urban apartments. In order to meet the extensive requirements for the site, planning is being conducted in line with the IPD (integrated project delivery) model.
Project status	The preliminary project will be started using the IPD approach based on the final conceptualisation. The project team's evaluation process has been started.
Expected date of completion	Q2/2024

Rue de Tivoli (construction area 4), 2000 Neuchâtel

Balance sheet item	Investment property under development
Project description	Serrières, a district in the western part of Neuchâtel, brings to mind the history of the Swiss chocolate maker Suchard, which operated a chocolate factory in the district for 170 years. This former industrial site, which is marked by creativity and innovation, will serve as the location for the creation of a vibrant urban neighbourhood designed with sustainability in mind and featuring five new buildings with total floor space of approximately 18,000 m ² . A social mix is to be established here through the construction of complementary residential and working spaces for both young and old. The preservation of the site's cultural character will be ensured by the establishment of artists' studios, restaurants and food shops, and the staging of temporary exhibitions. The site offers very good public transport and road connections, and the lake is within walking distance. The property also offers a beautiful view of Lake Neuchâtel. The building on plot 4 occupies around 1,459 m ² of the total plot area and, with around 20 rental flats, offers space for different types of housing.
Project status	Neighbourhood plan is in force, study contract in progress
Expected date of completion	Q2/2024



Avenue des Grandes-Communes (Les Tattes), 1213 Onex

Balance sheet item	Promotional property under development Investment property under development
Project description	This planned complex is situated in an ideal suburban location outside Geneva, but not too far from the city centre. Green surroundings offering a view of the Rhône are the backdrop for the site owned by the municipality of Onex, which has development rights for the property. Here, three buildings with total floor space of 17,740 m ² are to be constructed in a public park. These buildings will house 215 rental flats and also offer 1,500 m ² for office space and a grocery shop on the ground floor. Public transport connections are located close by. The construction of residential space, and in particular the use of rent control measures, in a so-called development zone in the canton of Geneva will help meet the high demand for affordable housing in the region.
Project status	Zoning plan approved, study contract in preparation
Expected date of completion	Q1/2027

Chemin de l'Echo 9, 1213 Onex

Balance sheet item	Promotional property under development Investment property under development
Project description	This planned residential building is situated in an ideal suburban location outside Geneva, but not too far from the city centre. Green surroundings offering a view of the Rhône are the backdrop for the site owned by a foundation, which has development rights for the property. Plans call for the construction of a building that will house approximately 120 rental flats and have a total floor space of 9,198 m ² . The building will be located in a public park in the vicinity of small garden plots and a large primary school with sport facilities. Public transport connections are located close by. The construction of residential space, and in particular the use of rent control measures, in a so-called development zone in the canton of Geneva will help meet the high demand for affordable housing in the region.
Project status	Zoning plan approved, study contract in preparation
Expected date of completion	Q1/2024



Nordstrasse 3 (construction area Süd), 6340 Baar

Balance sheet item Investment property under development

Project description The Unterfeld site is one of the last major continuous building-land reserves in the canton of Zug. It is located on the border between Baar and Zug. A mixed residential/commercial neighbourhood with open spaces of varied design and three high-rise structures will be created in the immediate vicinity of the Lindenpark suburban railway station. The site will accommodate around 1,000 residents and also create 2,000 jobs. The building on construction area 3 will be located in the immediate vicinity of the Lindenpark tram stop.

Project status The conceptualisation and the specifications for the design competition were launched based on the building and zoning code revised in September 2020. The process will start in Q1/2021.

Expected date of completion Q1/2026

Zürcherstrasse 31 (Lokstadt Elefant), 8400 Winterthur

Balance sheet item Investment property under construction

Project description An innovative office building that unites a modern timber structure with historic industrial architecture is being built in the centre of Winterthur. The building is part of the new sustainable, multifaceted and vibrant Lokstadt urban district. The numerous benefits the building offers as a company location through its visibility, flexibility, efficiency, productivity and modern appearance impressed SWICA to such an extent that it decided to occupy it as the sole tenant. In particular, the two double-storey halls that are stacked on top of one another offer unique modern office and meeting spaces flooded with light. The project has been developed in close cooperation with SWICA since the planning process began.

Project status Construction started, handover to tenants for rental expansion Q4 2022

Expected date of completion Q4/2022



Solarstrasse 11-21 (KIM, Häuser Bodmer und Brown), 8404 Winterthur

Balance sheet item	Investment property under development
Project description	With KIM Winterthur, a new vibrant and multifaceted neighbourhood with office and residential buildings of different sizes is being created in Neuhegi at a central location near the railway station. The total area to be built upon amounts to approximately 70,000 m ² . Construction of the first residential building began in mid-2019 and tenants are expected to begin moving in in early 2022. The complex is being built in phases, whereby the second groundbreaking ceremony took place at the beginning of 2020. The two commercial buildings – Haus Bodmer and Haus Brown – emanate a feeling of cosmopolitanism, openness and sophistication. Their inviting character makes for an ideal location for a company's headquarters or offices, whereby their flexible design enables other commercial use options as well. A total rentable floor space of approximately 18,600 m ² will be available in the buildings.
Project status	The building application was approved together with residential part, which is currently under construction. The building permit for the buildings Brown and Bodmer remains legally valid until approximately Q2/2025. For the purpose of user search, concepts have been created in order to address the broadest possible segment of potential users.
Expected date of completion	Q4/2027

Hegenheimermattweg 179 (BaseLink Allschwil), 4123 Allschwil

Balance sheet item	Investment property under construction
Project description	A major commercial site with an area of around 75,000 m ² is being developed in Allschwil in the prosperous border region between France, Germany and Switzerland. This development will ultimately lead to the creation of approximately 10,000 new jobs. The site is known as BaseLink and is already partly occupied. The new jobs will be created by R&D and industrial companies as well as commercial firms and service providers that will establish plants and offices at the site. An attractive concept for green spaces in interiors and public areas will offer an ideal environment for future-oriented and sustainable jobs. A new business hotel with 210 rooms with 3-star plus ratings (including rooms in dimensions ranging from just under 19 m ² to around 28 m ²) will serve as a central location for short or long stays for business travellers who visit the BaseLink innovation park.
Project status	Building permit is legally valid
Occupancy	Hotel: operator contract concluded Commercial use: Marketing will start one year before occupancy is possible
Expected date of completion	Q4/2022



Ernst-Jung-Platz (Lokstadt Tigerli), 8400 Winterthur

Balance sheet item Investment property under development

Project description By placing the stand-alone Tigerli building at the base of the Rocket residential tower, the overall appearance of the building complex is strengthened. It will house up to 150 additional rooms of the lifestyle hotel integrated into the historic halls. Student housing and various commercial spaces round off the mix of uses of the Rocket/Tigerli building complex.

Project status The legally binding layout design "Werk 1" is the conceptual basis. The fundamentals for the study contract will be determined in Q1/2021 with the help of a test planning before it is launched in the 2nd half of the year. Construction will start at the beginning of Q1/2023, with the project end scheduled for Q4/2025.

Occupancy Three letters of intent are available for the hotel space, which will be negotiated in the first half of 2021. For the remaining space, occupants will be looked for 1 year before the building is finished.

Expected date of completion Q4/2025

Zürcherstrasse (Lokstadt Bestandeshallen), 8400 Winterthur

Balance sheet item Investment property under development

Project description Historic production halls will be used in an inspiring variety of ways and become the gateway to the sustainable and multifaceted Lokstadt urban district that is now being created in the centre of Winterthur. These halls will be the vibrant centrepiece of the new district. Plans call for a hotel to become the anchor tenant at the site, which will also be home to various restaurants, food shops, event locations, co-working spaces and small craft manufacturing companies. The planned spatial arrangement will also make the halls extremely flexible in terms of how they can be used, which means it will be possible to react quickly to changes in user requirements or market conditions.

Project status Study contact finalised at the end of 2020 as a basis for preliminary project and for negotiations with hotel operators

Occupancy Three letters of intent exist for the hotel space. One of these turned into an actual tenancy lease in the first quarter 2021. There are also letters of intent for the co-working spaces.

Expected date of completion Q2/2024



Rue de Tivoli (construction area 2), 2000 Neuchâtel

Balance sheet item Investment property under development

Project description Serrières, a district in the western part of Neuchâtel, brings to mind the history of the Swiss chocolate maker Suchard, which operated a chocolate factory in the district for 170 years. This former industrial site, which is marked by creativity and innovation, will serve as the location for the creation of a vibrant urban neighbourhood designed with sustainability in mind and featuring five new buildings with total floor space of approximately 18,000 m². A social mix is to be established here through the construction of complementary residential and working spaces for both young and old. The preservation of the site's cultural character will be ensured by the establishment of artists' studios, restaurants and food shops, and the staging of temporary exhibitions. The site offers very good public transport and road connections, and the lake is within walking distance. The property also offers a beautiful view of Lake Neuchâtel. The building in Construction Area 2 will occupy around 4,000 m² of the entire plot and contain 50 rental flats and an additional area of 1,300 m².

Project status Neighbourhood plan is in force, study contract in progress

Expected date of completion Q2/2024

Ina Invest AG
Dietlikon

Report of the Independent Valuer
Valuation as of December 31, 2020

Final Report

Zurich, December 31, 2020

Project no.	109131.2018
Client	Ina Invest AG Binzmühlestrasse 11 8050 Zürich
Contact	Jürg Manser Portfolio Management, Implenia Schweiz AG
Drafted by	Wüest Partner AG Alte Börse Bleicherweg 5 8001 Zürich Schweiz T +41 44 289 90 00 wuestpartner.com
Project manager	Stefan Meier Claudio Marongiu
Period	October till December 2020

Wüest Partner is an independent, owner-managed consulting firm. As impartial experts, we have been delivering first-class decision-support tools for professional real estate players since 1985. We offer our clients – both in Switzerland and abroad – a wide range of services encompassing advice, valuations, data, applications, publications and education. Our knowledge creates transparency and helps to break new ground for the continued development of the real estate sector.

With its interdisciplinary team of approximately 280 consultants, the company has an impressive skill base and many years of experience to build on. Our employees cover the disciplines of economics, architecture, information technology and engineering as well as the social and natural sciences. An international network of partner companies and regional experts with a strong local anchoring complements the teams of consultants working in our Zurich, Geneva, Bern, Lugano, Frankfurt am Main, Berlin, Hamburg, Munich, Dusseldorf and Paris offices.

Wüest Partner AG is owned and managed by 23 partners, who vouch for the continuity, independence and sustainable performance of the company. They are: Andreas Ammann, Andreas Bleisch, Jan Bärthel, Patrick Schnorf, Mario Grubemann, Patrik Schmid, Gino Fiorentin, Stefan Meier, Hervé Froidevaux, Ronny Haase, Pascal Marazzi-de Lima, Andreas Keller, Karsten Jungk, Ivan Anton, Fabio Guerra, Alain Chaney, Christine Eugster, Matthias Weber, Jörg Lamster.

Report of the valuation experts

The properties with the existing buildings of the real estate company Ina Invest AG are valued half-yearly by the valuation experts Stefan Meier and Claudio Marongiu at their current market value. The present valuation is valid as of December 31, 2020. The valuation encompasses development properties, properties under construction, properties for sale, properties in operation, independent and permanent rights (building rights).

Valuation Standards

Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines in particular with the Swiss Valuation Standards (SVS).

The market values are determined for the properties according to the principle of a «fair value» in accordance with the customary standards (in particular the Swiss Valuation Standards SVS). The determined values of the properties correspond to the current value (market value) as defined in Swiss GAAP FER 18 paragraph 14. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Transfer taxes, property gains taxes and value added taxes as well as other costs and provisions incurred in the event of a possible sale of the property are not included. Neither are any liabilities of Ina Invest AG with regard to possible taxes (with the exception of ordinary property taxes) and financing costs taken into account.

Basis of valuation

The valuation is always based on the latest information regarding the properties and the real estate market. The data and documents relating to the properties are provided by the owner. Their correctness is assumed. All property market data is taken from Wüest Partner's continuously updated databases (Immo-Monitoring 2020).

In order to guarantee the independence of the valuations and thus ensure the highest possible degree of objectivity, the business activities of the valuation experts of Wüest Partner exclude both trading and the associated commission business as well as the management of properties.

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and rentability of rented premises, construction type and condition, micro and macro location etc.).

Valuation method

In valuing the real estate holdings of Ina Invest AG, Wüest Partner applied the discounted cash flow (DCF) method. This corresponds to international standards and is also used for company valuations. It is recognised as «best practice», even though there is a fundamental freedom of method in real estate valuation. Using the DCF method the current market value of a property is determined as the total of all projected future (infinity) net earnings (before taxes, interest payments, depreciation and amortisation = EBITDA) discounted to the date of valuation. Net income is discounted separately for each property with due allowance for specific opportunities and threats, as well as adjustment in line with market conditions and risks.

In a detailed report per property, all expected cash flows are disclosed, thus creating the greatest possible transparency. Each report makes reference to the significant changes compared to the last valuation.

For properties under development or construction, the project value at the balance sheet date is derived in three steps:

- Valuation of the property at the time of completion - taking into account the current occupancy rate, market and cost estimates as of the balance sheet date.
- Determination of the market value as of the balance sheet date, taking into account the forecast investments still to be made;
- Assessment of the risk and consideration as a separate cash flow of a cost item.

Valuation results as of December 31, 2020

As of December 31, 2020, the market value of the 22 properties of the real estate company Ina Invest AG is estimated at CHF 344,340,600, which corresponds to a change in value of +31.1% compared to the previous valuation as of June 30, 2020 (+CHF 81,780,900).

Of the 20 development properties that were in the portfolio throughout the reporting period, 13 properties have gained in value. 6 properties were devalued and one property remained unchanged. The target income has decreased (-4.1%) compared to the pre-valuation as of June 30, 2020. Market rents have decreased compared to the previous valuation (-5.19%).¹ Discounting has decreased from the pre-valuation (-0.02 percentage points: Income-weighted average does not take into account the property «Lokstadt Bestandeshallen» due to its negative market value). The positive changes in value result from acquisitions, investments due to project progress, the reduction in discounting, the conversion of rental properties into condominiums due to new regulations and the temporal approach of the revenue streams. Negative value contributions result from adjustments of the market potential, the temporal approach of the cost streams for construction, maintenance, repair and operating the properties, as well as the risk component, the sales of condominiums.

¹ Takes into account the conversion of 20 area percent of rental properties into condominiums at the projected properties in Onex, which accounts for the majority of the effect.

Acquisitions

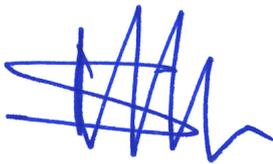
Since the previous valuation as of June 30, 2020, two properties with a current total value of CHF 55,270,000 were acquired in Geneva and Petit-Lancy .

Sales

There were no sales from the portfolio since the previous valuation as of June 30, 2020.

Zurich, December 31, 2020

The valuation experts



Stefan Meier



Claudio Marongiu

Ina Invest Holding Ltd

Zurich

Report of the statutory auditor
to the General Meeting

on the consolidated financial statements 2020



Report of the statutory auditor to the General Meeting of Ina Invest Holding Ltd

Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Ina Invest Holding Ltd and its subsidiaries (the Group), which comprise the consolidated income statement for the period from 1 April 2020 to 31 December 2020, the consolidated balance sheet as at 31 December 2020 and the consolidated cash flow statement and consolidated statement of changes in equity for the period from 1 April 2020 to 31 December 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 44 to 88) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the period from 1 April 2020 to 31 December 2020 in accordance with Swiss GAAP FER and the provisions of article 17 of the Directive on Financial Reporting (DFR) issued by SIX Swiss Exchange and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 2'500'000

We concluded full scope audit work for both group companies. Our audit addresses the results, assets and liabilities of the group.

As key audit matters the following areas of focus have been identified:

- Valuation of investment properties
- Measurement of deferred tax liabilities

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 2'500'000
How we determined it	0.75% of total equity of the group
Rationale for the materiality benchmark applied	We chose the total equity as the benchmark because it is a generally accepted industry benchmark for materiality consideration relating to real-estate companies.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The group consists of two companies for which we have carried out audits.

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

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

Valuation of investment properties

Key audit matter

The Group's non-current assets consist mainly of investment properties recorded in the amount of CHF 269'928 thousand at actual values as at 31 December 2020.

In accordance with SIX Swiss Exchange's requirements, the fair values are determined by an independent, qualified valuation expert, which prepares a valuation report. The valuation expert confirms that the fair values correspond to the 'actual values' according to Swiss GAAP FER 18 and were determined in accordance with customary Industry standards and guidelines, in particular the Swiss Valuation Standards (SVS).

We consider the valuation of the property portfolio a key audit matter because of its significance in relation to total assets (approx. 70%) and owing to the assumptions and scope for judgement involved in valuation models such as the discounted cash flow method (DCF). A DCF valuation in the real-estate industry requires, among others, input parameters that are not observable on a market (e.g. expected future vacancy rates, future investments and various components of the discount rate). Inappropriate assumptions or errors in the DCF valuations could lead to significant differences in valuation due to the long time-horizons of the assumptions used for valuation purposes.

Please see note 2.2 (page 54 ff), which describes the accounting principles and the underlying assumptions, and the report of the independent valuer (page 89 ff)

How our audit addressed the key audit matter

We performed the following audit procedures, among others:

With regard to the valuation of the property portfolio, we performed sample testing to check that the data supplied to the expert was complete and accurate, and that the valuation according to the valuation report is appropriate and evidence based.

For the examination of the valuation report, we involved our own real-estate subject matter experts. This included an assessment of the completeness and appropriateness of the report, a check of formal aspects (compliance with standards, professional competence, independence) and an appraisal of the appropriateness of the valuation method used and the valuation assumptions. Applying risk based selection criteria, we tested a sample for mathematical accuracy by reperforming the basic steps in the calculation.

The appropriateness of the assumptions used in the DCF valuation for the individual properties in the property portfolio, including rental income, vacancies, capitalization and planned investments were verified by means of additional audit procedures. Furthermore, we assessed changes to assumptions.

On the basis of our audit procedures, we obtained adequate comfort with regard to the measurement of the properties investments

Measurement of deferred tax liabilities

Key audit matter

Deferred tax liabilities as at 31 December 2020 amount to around CHF 39'496 thousand. The deferred tax liabilities are based mainly on the differences in valuation between the tax base and the higher actual value recognised in the consolidated financial statements.

We consider the measurement of deferred tax liabilities a key audit matter for the following reasons. Deferred tax liabilities represent about 85% of the Group's liabilities and are therefore a significant item on the balance sheet. Additionally, calculating deferred tax liabilities is complex and involves significant management (CEO) assumptions, for example in relation to the expected holding period of the properties.

Please see note 4.1 (page 72 ff), which describes the accounting principles and the underlying assumptions.

How our audit addressed the key audit matter

We assessed the determination and measurement of the deferred tax liabilities and performed the following audit procedures, among others:

We assessed jointly with our internal tax specialists the tax rates used for the purposes of income taxes (at federal, cantonal and municipal levels) and any property gains taxes.

We reperformed how the differences in valuation between the values recognised in the consolidated financial statements and the tax base were derived and checked the mathematical accuracy.

On the basis of our audit procedures, we obtained adequate comfort with regard to the measurement of the deferred tax liabilities.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd



Dr. Michael Abresch
Audit expert
Auditor in charge



Philipp Gnädinger
Audit expert

Zurich, 25 February 2021



Annual financial statements of Ina Invest Holding Ltd

Income statement

For the period from 28 January to 31 December

in CHF thousands	Note	2020
Other income	2.1	614
Operating income		614
Personnel expenses	2.2	(789)
Other operating expenses	2.3	(7,063)
Operating expenses		(7,852)
Operating result		(7,238)
Financial expenses		(8)
Profit for the year before taxes		(7,246)
Direct taxes		(20)
Result for the year		(7,266)



Balance sheet

in CHF thousands	Note	31.12.2020
Assets		
Cash and cash equivalents		298
Other current receivables	2.4	198
Accrued income and prepaid expenses	2.5	440
Total current assets		936
Investment Ina Invest Ltd	2.6	119,842
Total non-current assets		119,842
Total assets		120,778
Liabilities and shareholders' equity		
Trade accounts payable	2.7	15
Other current liabilities	2.8	59
Accrued expenses and deferred income	2.9	634
Total current liabilities		708
Non-current interest-bearing financial liabilities	2.10	539
Total non-current liabilities		539
Total liabilities		1,247
Share capital	2.11	266
Statutory capital reserves	2.12	126,696
Treasury shares	2.13	(165)
Result for the year		(7,266)
Total shareholders' equity		119,531
Total liabilities and shareholders' equity		120,778



Notes

1 Principles

1.1 *General aspects*

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and measurement principles applied are described below. It should be noted that to ensure the company's going concern, the company may create and release hidden reserves.

The company was registered in the commercial register on 28 January 2020. The first financial year (2020) encompasses the period from 28 January to 31 December 2020.

In accordance with Article 961 (1) CO, no further disclosures are made in the notes, cash flow statement and directors' report because Ina Invest Holding Ltd prepares its consolidated financial statements in accordance with Swiss GAAP FER and is listed at the Swiss stock exchange SIX.

1.2 *Cash and cash-equivalents*

This item includes bank deposits with a maximum residual term of 90 days. These are recognised and measured at nominal value.

1.3 *Investment Ina Invest Ltd*

The Investment in Ina Invest Ltd is measured at the lower of acquisition cost or net market value. If there is an indication that the carrying amount may be overstated, it is reviewed and, if necessary, an impairment is recognised. Based on external sources, management has concluded that the investment is not impaired as at 31 December 2020.

1.4 *Treasury shares*

Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

1.5 *Share-based payments*

Share-based payments paid with equity instruments are measured at their fair value prevailing on the day of the grant and recognised as personnel expenses over the vesting period. The grant date fair value is determined using valuation models that are based on the registered shares' market rates at grant date.

Any pro rata expenses accrued are deferred as of the balance sheet date. Should treasury shares be used for share-based payments made to board members and employees, the difference between the acquisition costs and the market value at grant date is recognised as financial expenses or financial income.



2 Information on balance sheet and income statement items

2.1 Other income

in CHF thousands	2020
Items charged to companies in which the entity holds an investment	614
Total other income	614

This item includes personnel expenses and other operating expenses charged to Ina Invest Ltd.

2.2 Personnel expenses

in CHF thousands	2020
Wages and salaries	(532)
Share-based payments	(127)
Pensions expenses	(49)
Social security expenses	(61)
Other personnel expenses	(21)
Total personnel expenses	(789)

2.3 Other operating expenses

in CHF thousand	2020
Capital increase cost	(6,389)
Accounting and consultation fees	(584)
Marketing	(64)
Administrative expenses	(26)
Total other operating expenses	(7,063)



2.4 Other current receivables

in CHF thousands	31.12.2020
VAT receivables	6
Receivables from companies in which the entity holds an investment	192
Total other current receivables	198

2.5 Accrued income and prepaid expenses

in CHF thousands	31.12.2020
Receivables from third parties	4
Receivables from companies in which the entity holds an investment	436
Total accrued income and prepaid expenses	440

2.6 Investment Ina Invest Ltd

Company, domicile	Capital in CHF thousands 31.12.2020	Votes and capital share 31.12.2020
Ina Invest Ltd, Zurich	202	57.5%

Implenia Ltd is the minority shareholder that holds the remaining voting rights and shares in Ina Invest Ltd (42.5%).

2.7 Trade payables

in CHF thousands	31.12.2020
Accounts payable due to third parties	15
Total trade accounts payable	15



2.8 Other current liabilities

<u>in CHF thousands</u>	<u>31.12.2020</u>
Accounts payable due to third parties	59
Total other current liabilities	59

2.9 Accrued expenses and deferred income

<u>in CHF thousands</u>	<u>31.12.2020</u>
Accounts payable due to third parties	524
Accounts payable due to governing bodies	110
Total accrued expenses and deferred income	634

2.10 Non-current interest-bearing liabilities

<u>in CHF thousands</u>	<u>31.12.2020</u>
Accounts payable to companies in which the entity holds an investment	539
Total long-term interest-bearing financial liabilities	539

2.11 Share capital

<u>in CHF thousands</u>	<u>31.12.2020</u>
8,866,560 registered shares at a nominal value of CHF 0.03	266
Total share capital	266

Authorised share capital

In accordance with the Company's Articles of Association, the Board of Directors is entitled to increase the share capital by a maximum of CHF 53,199.36 at any time until 2 June 2022 by issuing up to 1,773,312 registered shares with a nominal value of CHF 0.03 each, which are to be fully paid up.

Several increases, each worth part of this amount, are permitted. The Board of Directors determines the issue amount, the type of contributions, the timing of the issue, the criteria for exercising subscription rights and the time at which a dividend entitlement starts to apply. In the case of a capital



increase from authorised capital, the Board of Directors is entitled to withdraw or restrict shareholders' subscription rights up to a maximum of 886,656 registered shares provided certain criteria set out in the Articles of Association are met.

Conditional share capital

In accordance with the Company's Articles of Association, the conditional share capital can be increased by a maximum of CHF 13,299.84 by issuing up to 443,328 registered shares with a nominal value of CHF 0.03 each, which are to be fully paid up. Such an increase is to be carried out by exercising option rights granted to employees or members of the Board of Directors of the Company or group companies.

2.12 Statutory capital reserves

in CHF thousands	31.12.2020
Reserves from capital contributions	126,696
Total statutory capital reserves	126,696

The reserves from the capital contribution will be duly reported to the Swiss Federal Tax Administration. However, they have not been recognised yet in accordance with Article 5(1) Withholding Tax Act at the time of closing.

2.13 Treasury shares

Number of registered shares	Ø transaction price in CHF	2020
Balance as at 28.01.		-
Acquisition of treasury shares	17.42	9,500
Balance as at 31.12.		9,500

The transaction price always corresponds to the market price. As at 31 December 2020, total assets amount to CHF 165 thousand.

3 Other information

3.1 Number of full-time employees

The annual average number of full-time equivalents was below 10 for the reporting year.



3.2 Significant shareholders (> 5.0% votes)

Shareholder	31.12.2020 Votes
Max Rössler	16.56%
Swiss Life Holding AG	15.09%
Norbert Ketterer	12.52%
Rudolf Maag	5.41%
CACEIS (Switzerland) SA	5.06%

3.3 Shares held by the Board of Directors and Management, incl. affiliated persons

in CHF thousands	31.12.2020 Number of shares
Board of Directors	
Stefan Mächler, Chairman of the Board of Directors	9,000
Christoph Caviezel, Vice Chairman of the Board of Directors	2,480
Hans Ulrich Meister, member of the Board of Directors	36,941
André Wyss, member of the Board of Directors	46,768
Marie-Noëlle Zen-Ruffinen, member of the Board Directors	-
Management	
Marc Pointet, CEO	-

As at 31 December 2020, no members of the Board of Directors or Management hold conversion or option rights.

3.4 Shares or options on shares for members of the board and Management

The Board members as well as the CEO receive shares or options on shares, which are allocated in the framework of their share-based payments. Further explanations in this respect may be found in the notes to the consolidated annual report prepared in accordance with Swiss GAAP FER (note 4.2) as well as the Compensation Report. As at 31 December 2020 there are no allocated shares or options on shares that require disclosure.

3.5 Contingent liabilities

Each financial year, Implenia Group may sell up to 5% of its investment in Ina Invest Ltd to Invest Holding Ltd (put option). In doing so, the company may decide whether it prefers cash or Ina Invest Holding shares in consideration. If Implenia Group exercises the put option, the sales price will equal



the implicit market value of Ina Invest Ltd. The implicit market value will be determined based on the share price of Ina Invest Holding Ltd. The value of the associated contingent liability is estimated at CHF 119,599 thousand as at 31 December 2020.

3.6 Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

Ina Invest Holding Ltd

Zurich

Report of the statutory auditor
to the General Meeting

on the financial statements 2020



Report of the statutory auditor

to the General Meeting of Ina Invest Holding Ltd

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ina Invest Holding Ltd, which comprise the income statement for the period from 28 January 2020 to 31 December 2020, the balance sheet as at 31 December 2020, and notes for the period from 28 January 2020 to 31 December 2020, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 99 to 107) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 905'000



We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Impairment testing of investment Ina Invest Ltd

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 905'000
How we determined it	0.75% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a common benchmark for holding companies.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

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

Impairment testing of Ina Invest Ltd

Key audit matter

The Company recorded as at 31 December 2020 a direct investment (57.5%) in Ina Invest Ltd, a real-estate company, with a total carrying value of CHF 119,842 thousand.

The investment is stated at acquisition cost in accordance with the commercial accounting and financial reporting provisions of the Swiss Code of Obligations. When necessary, an impairment is made in the event of a decrease in the value.

We consider the impairment testing of the investment as a key audit matter owing to its significance on the balance sheet.

Please refer to the accounting principles (page 101 ff) and note 1.3 (page 101).

How our audit addressed the key audit matter

We performed the following audit procedures, among others:

We performed a critical evaluation of management's estimates in relation to potential indications of impairment of the investment. We compared the carrying amount with the company's market capitalisation as a plausibility check.

We assessed whether the subsidiary's equity determined on the basis of economic values exceeded the carrying amount of the investment.

On the basis of our procedures, we obtained adequate comfort with regard to the value of the investment.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd



Dr. Michael Abresch
Audit expert
Auditor in charge



Philipp Gnädinger
Audit expert

Zurich, 25 February 2021



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The annual report is a translation from the original German version. In case of any inconsistency the German version shall prevail.