

FINANCIAL STATEMENTS

INVESTIS HOLDING SA

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BALANCE SHEET

In CHF 1,000	Note	31.12.2019	31.12.2018
Cash and cash equivalents		6,971	73
Account receivables from Group companies		591	41
Current loans to Group companies	2.1	26,810	32,421
Prepaid expenses and accrued income		152	36
Total current assets		34,524	32,571
Non-current loans to Group companies	2.1	707,000	603,757
Investments in subsidiaries	2.2	200,000	200,000
Total non-current assets		907,000	803,757
Total assets		941,524	836,328
Current bond	2.3	100,000	140,000
Account payables to third parties		21	-
Account payables to Group companies		209	814
Accrued expenses		2,049	1,752
Total current liabilities		102,279	142,566
Bonds	2.3	560,000	380,000
Total non-current liabilities		560,000	380,000
Total liabilities		662,279	522,566
Share capital		1,280	1,280
Statutory capital reserves			
– Capital contribution reserve		52,578	82,459
– Other capital reserves		199,200	199,214
Statutory retained earnings			
– Reserve for treasury shares (for shares held by subsidiaries)		-	6,018
Voluntary retained earnings			
– Profit carried forward		30,810	23,358
– Profit for the year		621	1,433
Treasury shares		-5,244	-
Total equity	2.4	279,245	313,762
Total shareholders' equity and liabilities		941,524	836,328

INCOME STATEMENT

In CHF 1,000	Note	2019	2018
Interest on loans to Group companies		5,746	5,090
Total income		5,746	5,090
Personnel expenses	2.5	-363	-414
Administrative expenses		-334	-301
Financial expenses		-4,384	-2,821
Total operating expenses		-5,081	-3,536
Profit before taxes		666	1,555
Income taxes		-45	-122
Profit for the year		621	1,433

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

1.1 GENERAL ASPECTS

These financial statements were prepared in accordance with the provisions 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 valuation principles applied are described below.

As Investis Holding SA has prepared its consolidated financial statements in accordance with a recognised accounting standard (Swiss GAAP FER), it has decided, as the law allows, not to present additional information on interest-bearing liabilities and audit fees in the notes, and not to present a cash flow statement.

1.2 ASSETS

Assets are valued at no more than their acquisition cost. Exceptions are current assets with an observable market price, which are valued at the stock price or market value on the balance sheet date. All changes in value are recognised in the income statement. No value fluctuation reserves have been formed.

1.3 LOANS AND INVESTMENTS

Loans to Group companies and investments in subsidiaries are carried at acquisition costs less any necessary depreciation.

1.4 BONDS

Bonds are recognised in the balance sheet at nominal value. Issuance costs upon issue are offset against any applicable discounts and the surplus is charged to the income statement.

1.5 TREASURY SHARES

Treasury shares directly held are recognised at acquisition cost and deducted from equity. For treasury shares held by a subsidiary, a reserve for treasury shares is created with a corresponding entry in the voluntary retained earnings. Gains and losses on the use/sale are recognised in statutory capital reserves.

2. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

2.1 LOANS

In CHF 1,000	31.12.2019	31.12.2018
Loan to Investis Investments SA	158,810	122,421
Loan to Investis Properties SA	575,000	513,757
Total loans to Group companies	733,810	636,178
Of which current assets	26,810	32,421
Of which non-current assets	707,000	603,757

2.2 INVESTMENTS

The list of legal entities held directly or indirectly by the Company and consolidated at Investis Group level is published in [Note 25](#) of the consolidated financial statements in this report.

2.3 BONDS

In 2019, a CHF 140 million bond, maturing on 15 February 2021, with a coupon of 0.773% was issued on 14 February 2019. A further bond of 140 million, maturing on 9 October 2023, with a coupon of 0.05%, was issued on 9 October 2019.

In 2018, a CHF 100 million bond, maturing on 12 June 2020, with a coupon of 0.35% was issued on 12 June 2018.

Information on loan conditions is published in [Note 17](#) of the consolidated financial statements in this report.

2.4 EQUITY

The share capital amounted to CHF 1.28 million, composed of 12,800,000 registered shares with a nominal value of CHF 0.10 each. All outstanding shares are entitled to dividends and confer the right to one vote per share at the Company's general meetings.

Article 3a of the Company's Articles of Association sets out that the Company's share capital shall be increased by a maximum amount of CHF 30,000 through the issuance of no more than 300,000 fully paid-up registered shares with a nominal value of CHF 0.10 by way of the exercise of options or similar rights belonging to employees and members of the Board of Directors and the Executive Board in accordance with the applicable regulations and resolutions of the Board of Directors.

Article 3b of the Company's Articles of Association sets out that the share capital may be increased by the issuance of up to 1,280,000 fully paid-in registered shares with a nominal value of CHF 0.10 each, up to CHF 128,000, by means of the exercise of conversion rights and/or warrants granted in connection with newly or already issued bonds or similar debt instruments of the Company or its Group companies to Company creditors and/or investors.

In CHF 1,000	Share capital	Statutory capital reserves		Statutory retained earnings	Voluntary retained earnings	Treasury shares	Total equity
		Capital contribution reserve	Other capital reserves	Reserves for treasury shares			
Equity as at 1 January 2018	1,280	112,521	199,098	-	29,377	-1,135	341,141
Profit for the year					1,433		1,433
Distribution to shareholders		-30,062					-30,062
Use of treasury shares			34			703	736
Purchase of treasury shares						-5,504	-5,504
Sale of treasury shares to subsidiary			82	6,018	-6,018	5,936	6,018
Equity as at 31 December 2018	1,280	82,459	199,214	6,018	24,791	-	313,762
Equity as at 1 January 2019	1,280	82,459	199,214	6,018	24,791	-	313,762
Profit for the year					621		621
Distribution to shareholders		-29,881					-29,881
Purchase of treasury shares from subsidiary				-6,018	6,018	-6,018	-6,018
Use of treasury shares			-14			775	761
Equity as at 31 December 2019	1,280	52,578	199,200	-	31,430	-5,244	279,245

2.4.1 CAPITAL CONTRIBUTION RESERVE

The capital contribution reserve includes the premium from capital increase in 2016, minus the distributions decided to date.

From a fiscal point of view, any distributions made from capital contribution reserves are treated the same as a repayment of share capital. In 2017, the Swiss Federal Tax Administration (SFTA) has confirmed that it will recognise CHF 142.6 million of the disclosed reserves from capital contributions as at 31 December 2016 as a capital contribution as per article 5 para. 1^{bis} Withholding Tax Act.

2.4.2 TREASURY SHARES

	2019		2018	
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000
Net carrying amount as at 1 January	-	-	20,000	1,135
Purchase of treasury shares ¹⁾	97,384	6,018	89,766	5,504
Use of treasury shares ²⁾	-12,533	-761	-12,382	-736
Sale of treasury shares to subsidiary ³⁾	-	-	-97,384	-6,018
Losses on use/sale of treasury shares recognised in equity		-14		116
Net carrying amount as at 31 December	84,851	5,244	-	-

1) In 2019, Investis Holding SA acquired 97,384 registered treasury shares at an average price of CHF 61.80 from a subsidiary. In 2018, Investis Holding SA acquired 89,766 registered treasury shares at an average price of CHF 61.31.

2) In 2019, Investis Holding SA used 12,533 (2018: 12,382) registered treasury shares at an average price of CHF 60.71 (2018: CHF 59.45) for the share-based compensation to the Board of Directors and the Executive Board.

3) In 2018, Investis Holding SA sold 97,384 registered treasury shares at an average price of CHF 61.80 to a subsidiary.

2.5 PERSONNEL EXPENSES

Information on personnel expenses for the Board of Directors and the Executive Board is published in the compensation report in this annual report.

3. OTHER INFORMATION

3.1 FULL-TIME EQUIVALENT

Investis Holding SA has no employees.

3.2 SIGNIFICANT SHAREHOLDERS

As at 31 December 2019, the Board of Directors is aware of the following shareholders and groups of shareholders that hold at least 3% of the voting rights in the Company:

Stéphane Bonvin owned 9,888,561 shares or 77.3% (2018: 9,860,021 or 77.0%) of the outstanding share capital.

As of 21 January 2019, UBS Fund Management (Switzerland) AG notified that they own 386,998 shares or 3.02% of the outstanding share capital.

3.3 SHARE OWNERSHIP

Members of the Board of Directors

(non-executive)

As at 31 December 2019, the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

As at 31 December 2019	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	5,831	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	20,782	0.2
Thomas Vettiger	Member and Chairman of the Audit Committee	3,415	<0.1
Total		30,028	0.2
As at 31 December 2018	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	3,822	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	19,778	0.2
Thomas Vettiger	Member and Chairman of the Audit Committee	2,411	<0.1
Total		26,011	0.2

Members of the Executive Board

(including the executive member of the Board of Directors)

As at 31 December 2019, the executive member of the Board of Directors and the members of the Executive Board (including their related parties) held the following Investis shares.

As at 31 December 2019	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin	Chief Executive Officer and member of the Board of Directors	9,888,561	77.3
René Häsler	Chief Financial Officer	16,595	0.1
Walter Eberle	Head Facility Services	13,634	0.1
Dieter Sommer ¹⁾	Head Property Management	2,997	<0.1
Total		9,921,787	77.5
As at 31 December 2018	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin	Chief Executive Officer and member of the Board of Directors	9,860,021	77.0
René Häsler	Chief Financial Officer	13,310	0.1
Walter Eberle	Head Facility Services	10,512	0.1
Dieter Sommer	Head Property Management	1,315	<0.1
Total		9,885,158	77.2

1) Member of the Executive Board until 31 December 2019.

3.4 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.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

The Board of Directors proposes to the Annual General Meeting a distribution of CHF 2.35 per registered share amounting to CHF 30,080,000, consisting of a dividend of CHF 1.18 per registered share and an appropriation from statutory capital contribution reserves to voluntary retained earnings and a payout of CHF 1.17 per registered share.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

In CHF 1,000	31.12.2019	31.12.2018
Profit carried forward from prior year	24,791	29,377
Reclass from reserves for treasury shares	6,018	-6,018
Profit for the year	621	1,433
Retained earnings available for Annual General Meeting	31,430	24,791
Proposed dividend payment	-15,104	-
Balance to be carried forward	16,326	24,791

PROPOSED APPROPRIATION FROM STATUTORY CAPITAL CONTRIBUTION RESERVE

In CHF 1,000	2019	2018
Statutory capital contribution reserves before distribution	52,578	82,459
Proposed appropriation from statutory capital reserves to voluntary retained earnings	-14,976	-29,881
Statutory capital contribution reserves after distribution	37,602	52,578

PROPOSED PAYOUT

In CHF 1,000	2019	2018
Proposed dividend payment		
Gross dividend per registered share: CHF 1.18 (2018: CHF -)		
on 12,715,149 shares entitled to distribution at 31 December 2019	15,004	-
on 84,851 treasury shares set aside for the employee share plan at 31 December 2019 ¹⁾	100	-
Less withholding tax	-5,286	-
Proposed distribution from capital contribution reserve		
Gross distribution per registered share: CHF 1.17 (2018: CHF 2.35)		
on 12,715,149 shares entitled to distribution at 31 December 2019	14,877	29,881
on 84,851 treasury shares set aside for the employee share plan at 31 December 2019 ²⁾	99	-
Less withholding tax	-	-
Total payout	24,794	29,881

- 1) The Company will waive its entitlement to dividend for the treasury shares held on the distribution date which are reserved for use in its employee share plan. The amount due on these shares will be taken to the profit carried forward.
- 2) The Company will waive its entitlement to such payments from the statutory capital contribution reserves for the treasury shares held on the distribution date which are reserved for use in its employee share plan. The amount due on these shares will be taken to the statutory capital contribution reserves.

Report of the statutory auditor

to the General Meeting of Investis Holding SA

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Investis Holding SA, which comprise the balance sheet as at 31 December 2019, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 133 to 142) as at 31 December 2019 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

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 9'410'000
How we determined it	1% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of a holding company that does not engage in operating activities is most commonly measured.

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

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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.

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.

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

We have determined that there are no key audit matters to communicate in our report.

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 further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Oliver Kuntze

Audit expert
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Marc Zurflüh

Audit expert

Bern, 23 March 2020

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FINANCIAL CALENDAR AND SHARE DATA

28 April 2020	Ordinary Annual General Meeting 2020
27 August 2020	Half-year results 2020
ISIN	CH 0325094297
Swiss security no.	32,509,429
Ticker symbol	IREN
Bloomberg	IREN SE
Reuters	IREN.S
Type of security	Registered share
Trading currency	CHF
Listing	SIX Swiss Exchange
Index	SPI, SXI Real Estate Shares
No. of registered shares outstanding	12,800,000
Nominal value in CHF	0.10

LEGAL INFORMATION

In the interest of readability, this report may sometimes use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.

The Investis Annual Report is published in English language only.

As a result of rounding, minor variances in calculated sums and percentages are possible in this Annual Report.

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