MOBIMO

Annual Report 2019

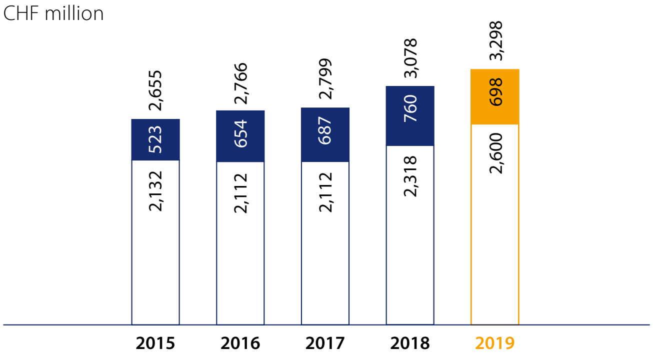
Selected key figures 2019

2019 was a satisfactory year for Mobimo. The company recorded a marked rise in rental income. As announced in autumn 2019, development projects and sale of trading properties made only a small contribution to income. Net income from revaluation was positive once again.

Profit
CHF million
2018: 90.3

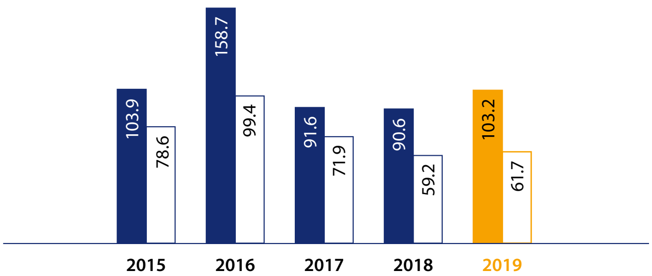
103.1

Total portfolio value
CHF million



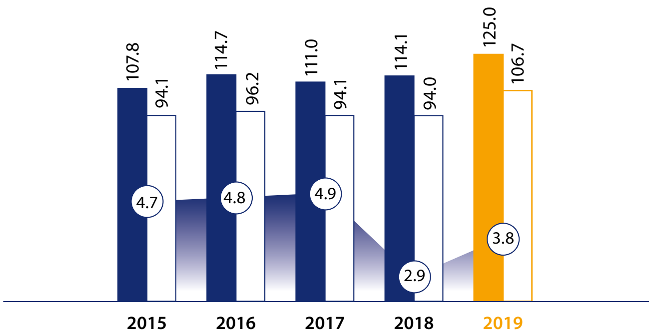
Development properties
Investment properties

Profit attributable to the shareholders of MOH including and excluding revaluation
CHF million



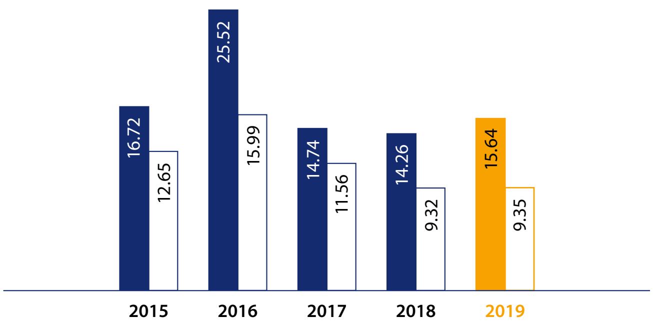
Profit attributable to the shareholders of MOH
Profit attributable to the shareholders of MOH excl. revaluation

Rental and net rental income and vacancy rate
CHF million/%



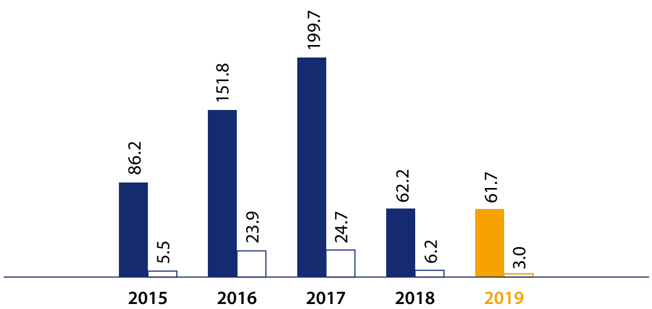
Rental income
Net rental income
Vacancy rate

Earnings per share including and excluding revaluation
CHF



Earnings per share
Earnings per share excl. revaluation

Income and profit on development projects and sale of trading properties
CHF million



Income
Profit

As a result of rounding, the sums and totals of individual positions may be larger or smaller than the sums and totals arrived at by adding the positions together, or larger or smaller than 100%.

The "Definition of Alternative Performance Measures" document, available at www.mobimo.ch > Investors > Investor services > Glossary, includes definitions of performance measures that are not defined under IFRS, EPRA, SIA (Swiss Society of Engineers and Architects) standard D 0213, Corporate Governance Best Practice Recommendations or other standards.

Result	Unit	2019	2018	Change in %
Net rental income	CHF million	106.7	94.0	13.5
Profit on development projects and sale of trading properties	CHF million	3.0	6.2	–51.3
Profit on disposal of investment properties	CHF million	6.4	29.0	–78.0
Net income from revaluation	CHF million	51.5	42.0	22.8
Operating result (EBIT)	CHF million	134.0	133.6	0.3
Operating result (EBIT) excluding revaluation	CHF million	82.5	91.7	–10.0
Profit	CHF million	103.1	90.3	14.2
Profit attributable to the shareholders of MOH	CHF million	103.2	90.6	13.8
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	61.7	59.2	4.3

Balance sheet	Unit	2019	2018	Change in %
Assets	CHF million	3,450.8	3,365.2	2.5
Equity	CHF million	1,532.3	1,513.5	1.2
Equity ratio	%	44.4	45.0	–1.3
Return on equity	%	7.1	6.6	7.6
Return on equity excluding revaluation	%	4.2	4.3	–2.3
Interest-bearing liabilities	CHF million	1,594.4	1,540.7	3.5
Ø Rate of interest on financial liabilities (for the period)	%	1.82	2.01	–9.5
Ø Residual maturity of financial liabilities	years	5.3	6.1	–13.1
Net gearing	%	101.1	91.7	10.3

Portfolio	Unit	2019	2018	Change in %
Overall portfolio[1]	CHF million	3,297.7	3,077.9	7.1
Investment properties[1]	CHF million	2,600.1	2,318.1	12.2
Development properties[2]	CHF million	697.6	759.8	–8.2
Gross yield from investment properties	%	4.5	4.6	–2.2
Net yield from investment properties	%	3.7	3.7	0.0
Investment property vacancy rate	%	3.8	2.9	31.0
Ø Discount rate for revaluation (nominal)	%	3.8	3.9	–2.6
Ø Capitalisation rate (real)	%	3.3	3.4	–2.9

EPRA	Unit	2019	2018	Change in %
EPRA profit	CHF million	60.2	49.4	21.8
EPRA NAV per share	CHF	272.30	267.70	1.7
EPRA rental increase like for like	%	–0.1	0.6	nmf
EPRA vacancy rate	%	3.8	2.9	31.0

Headcount	Unit	2019	2018	Change in %
Headcount (full-time basis)	Number	161.5	157.3	2.7
Of which headcount Mobimo FM Service AG (full-time basis)	Number	39.1	32.9	18.8

Share	Unit	2019	2018	Change in %
Shares outstanding[3]	Number	6,597,165	6,596,614	0.0
Nominal value per share	CHF	23.40	23.40	0.0
NAV per share (diluted)	CHF	232.26	228.48	1.7
Earnings per share	CHF	15.64	14.26	9.7
Earnings per share excluding revaluation	CHF	9.35	9.32	0.3
Distribution per share[4]	CHF	10.00	10.00	0.0
Share price as at 31.12.	CHF	288.50	234.00	23.3

1 Incl. owner-occupied properties and excl. tenant improvements (see Note 24 on page 98).
2 Excluding right-of-use assets.
3 No. of shares issued 6,601,547 less treasury shares 4,382 = no. of outstanding shares 6,597,165.
4 Distribution for the 2019 financial year of CHF 10.00 per share by means of a capital value repayment in accordance with the proposal to the Annual General Meeting of 31 March 2020.

Details on the long-term trends in Mobimo's key figures can be found on page 142 (Five-year overview).

Contents

Our profile

Mobimo Holding AG was established in Lucerne in 1999 and has been listed on the SIX Swiss Exchange since 2005. With a real estate portfolio with a total value of approximately CHF 3.3 billion, the Group is one of the leading real estate companies in Switzerland. The Mobimo portfolio comprises commercial and residential properties in first-class locations in German-speaking and French-speaking Switzerland.

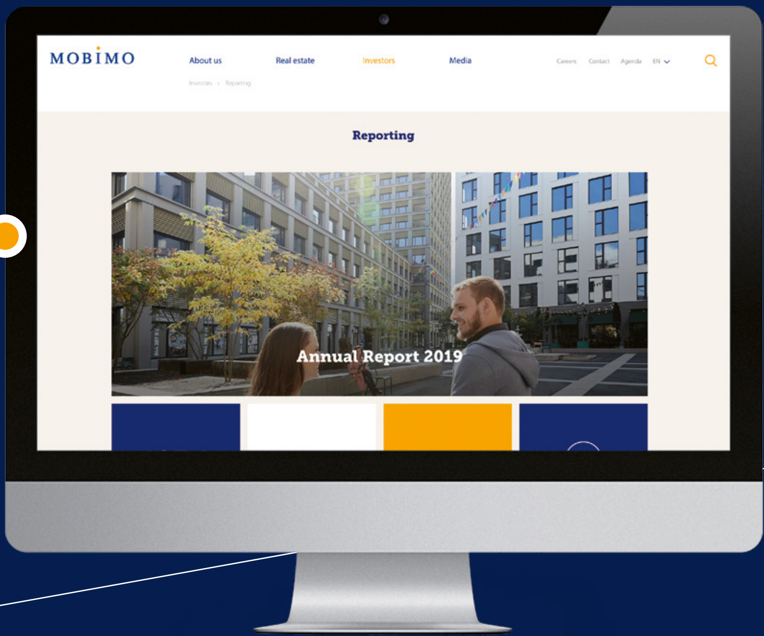
The investment properties are characterised by a balanced portfolio mix and diligent management, thus guaranteeing stable revenues. The company uses its development projects to create potential for capital appreciation and gains for its own portfolio and investment opportunities for third parties. The development and expansion of entire sites into mixed-use districts is one of Mobimo's core competences.

The ongoing development of the market position creates added value for shareholders, customers and partners over the long term. Mobimo pursues a sustainable strategy, has a stable business model and employs highly qualified people.

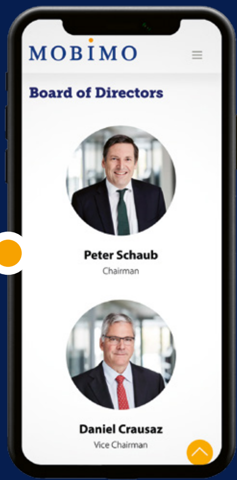
SHERPANY

Register now on the Sherpany shareholder platform and vote online at the Annual General Meeting. www.sherpany.com

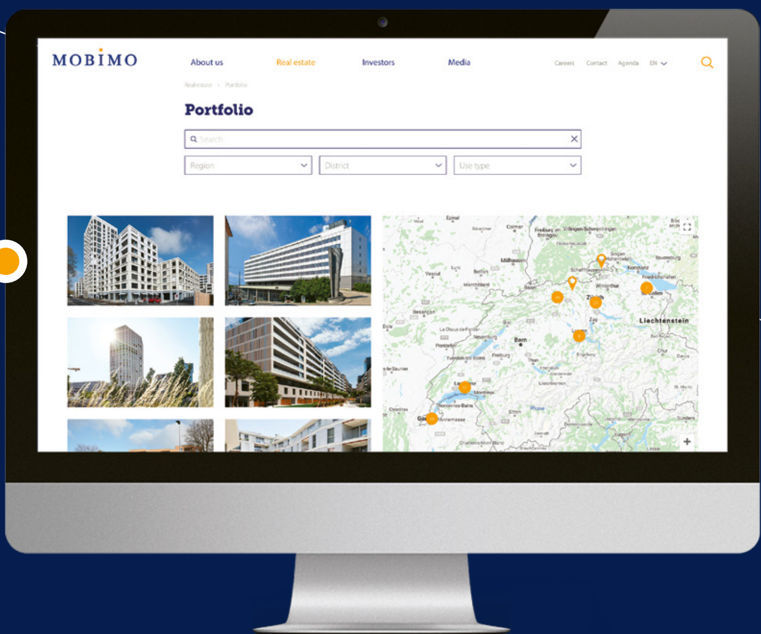
Webguide



www.mobimo.ch > Investors > Reporting



www.mobimo.ch > About us > BOD/EB



www.mobimo.ch > Real estate > Portfolio

www.mobimo.ch > Investors > Risk report

Letter to shareholders

Peter Schaub, Chairman of the Board of Directors, and Daniel Ducrey, CEO.

Dear shareholders

Mobimo can look back on a satisfactory performance overall in 2019. The year was dominated by the opening of two major districts in German-speaking Switzerland – the Aeschbachquartier in Aarau and the Mattenhof in Kriens – and the transition in the company's operational and strategic management.

The total portfolio value grew as planned to just under CHF 3.3 billion (prior year: CHF 3.1 billion). The profit attributable to the shareholders of Mobimo Holding AG was CHF 103.2 million including revaluation and CHF 61.7 million excluding revaluation (prior year: CHF 90.6 million and CHF 59.2 million respectively). The net income from revaluation arising from value added by the company's development activities was CHF 16.0 million (prior year: CHF 23.2 million). The Board of Directors will once again propose a distribution of CHF 10.00 per share to the Annual General Meeting.

Growth and improvement in quality

2019 was a positive year for the company's rental business. Several properties, including the Seehallen commercial property in Horgen and the investment properties in the Aeschbachquartier, were transferred from the development pipeline to the portfolio in the 2019 financial year, further increasing its quality.

Mobimo also almost completed construction work at the Mattenhof in Kriens in the second half of the year, and the Moxy Hotel in Lausanne was handed over to the tenant SV Hotel on schedule

Rental income
CHF million
2018: 114.1

125.0

Profit attributable to shareholders
CHF million
2018: 90.6

103.2

Earnings per share
CHF
2018: 14.26

15.64

shortly before the end of the year. In line with expectations, rental income increased significantly year on year from CHF 114.1 million to CHF 125.0 million. As announced, target rental income grew by 10% compared with the end of 2018. The vacancy rate remained low, at 3.8% (prior year: 2.9%), due in particular to the successful first-time letting of the new additions to the portfolio outlined above. The occupancy rate for commercial and residential space is now over 90% in the Aeschbachquartier as at the beginning of the year and currently 70% at the Mattenhof (based on target rental income), with the positive trend set to continue.

Mobimo is handling the portfolio growth without increase in headcount. The rise in FTEs (161.5 compared with 157.3 in 2018) is attributable to the expansion of the in-house facility management company Mobimo FM Service AG's activities to include French-speaking Switzerland.

Sustainability highlights

There were a number of sustainability highlights in 2019. Mobimo opened the Aeschbachquartier, the first district in Switzerland certified according to German Sustainable Building Council (DGNB) criteria. At the Mattenhof, heating and cooling is largely CO_2-neutral thanks to the use of solar power and an innovative integrated system (known as an "anergy" system). And at Seehallen Horgen, the building's own photovoltaic system supplies solar power to tenants. The Mobimo portfolio was once again awarded Green Star certification by the Global Real Estate Sustainability Benchmark (GRESB).

Low income from development projects and sale of trading properties

As announced in autumn, profit from development projects and sale of trading properties was lower in the year under review, at CHF 3.0 million (prior year: CHF 6.2 million), due to delays in two projects in the development activities for third parties business. In view of the well-stocked pipeline, Mobimo expects development projects and sales of trading properties to make more substantial contributions to income again over the next few years. The acquisition of three plots of land in the year under review, one in central Zurich, one on the outskirts of the city and one in a preferred location in central Switzerland, merits a mention in this regard. These are suitable for conversion into mid-priced condominiums, a segment that is very much in demand. Work on the construction of 30 condominiums on the land in Meggen acquired in 2017 is due to start in the first half of 2020.

This is a key year for one of the projects in the long-term pipeline, with voters in Biel/Bienne and Nidau set to decide in June 2020 on the parameters for the realisation of the Agglolac project. Agglolac is a major district development, with Mobimo providing expert and financial support to the two towns.

Recent and forthcoming management changes

Daniel Ducrey has been CEO of Mobimo since the beginning of April 2019, while the longstanding Head of Property Management, Christoph Egli, also joined the Executive Board on 1 August. The transition to the next generation has also started in the Board of Directors: Peter Schaub took over from Georges Theiler as Chairman, and Bernadette Koch and Dr. Christoph Caviezel were elected as new members of the Board. Wilhelm Hansen agreed to complete a further term of office in view of his fellow Board member Peter Barandun's decision to step down with effect from the 2019 Annual General Meeting. He will definitely not be standing for re-election at the Annual General Meeting on 31 March 2020. The Board of Directors would like to thank him for his huge commitment over many years and for the role he has played in the company's success. The Board of Directors will propose Dr. Martha Scheiber (Swiss national, born in 1965) to the shareholders as his successor. Until 2019, Dr. Scheiber was Head of Asset Management and a member of the Executive Board of Pax Holding, where her responsibilities included overseeing the insurer's real estate portfolio. A notable event after the reporting date was the decision by Executive Board member Manuel Itten to leave Mobimo in summer 2020 to pursue a new entrepreneurial challenge. The Board of Directors and Executive Board regret the departure of the long-standing Chief Financial Officer and would like to take this early opportunity to thank him for his tremendous service.

Outlook

After completing some major construction projects in the past two years, Mobimo's focus is now on its investment portfolio. The company is aiming to further strengthen its rental income base through customer-oriented management, active portfolio management and efficient marketing. Another key area of focus is the company's own development activities, which have demonstrated in the past their ability to add value with projects such as the Labitzke site and the Aeschbachquartier. And it is through this added value that the company wishes to differentiate itself going forward. Mobimo will maintain strict cost management in all its activities.

The economic outlook remains generally stable with a positive trend. Mobimo is well positioned both operationally and strategically, and both the Board of Directors and the Executive Board are therefore confident about 2020.

Thank you for the trust you have placed in Mobimo.

Peter Schaub	**Daniel Ducrey**
Chairman of the Board of Directors	CEO

Strategy and business model

Mobimo's long-term strategy is geared towards qualitative growth based on a balanced portfolio mix and active portfolio management. The company ensures that its activities are solidly financed and sustainable.

Mobimo buys, plans, builds, maintains and sells valuable and high-yield real estate. The investment portfolio comprises commercial, industrial and residential properties with broad-based rental income and correspondingly steady returns. Through its development properties, Mobimo generates considerable upside potential and capital gains. This area of activity includes the sale of condominiums. Development for Third Parties offers planning and implementation services for institutional and private investors. This covers all areas of planning, including the handover of turn-key properties.

Mobimo is solidly financed. In addition to long-term guaranteed financing, the expansion of the company is based on Mobimo's core competences: buying/selling, development and portfolio management.

The company uses the Mobimo brand in its communication with investors, the media, analysts and tenants. The Group brand is sometimes linked with targeted sponsorship and marketing measures. Communication and marketing at project level are generally tied to an image developed by Mobimo and are given project names that correspond to the objective, location and target audience.

Long-term strategy

Qualitative growth

Mobimo strives to gradually grow its real estate portfolio. This growth takes place primarily through the construction of investment properties for the company's own portfolio as well as through the acquisition of individual properties and portfolios. Growth may also be achieved via company takeovers.

The decision to grow is taken when the elements of price, location and future prospects come together in such a way as to create value for shareholders. Mobimo invests in promising locations in Switzerland. It sees these primarily as the economic areas of Zurich and Lausanne/Geneva, together with those of Basel, Lucerne/Zug, Aarau and St. Gallen. Investments are only made in sustainably good locations.

Balanced portfolio mix

Generally, the strategic investment portfolio comprises approximately one-third residential usage, one-third office usage and one-third other commercial usage.

Active portfolio management

The real estate portfolio is optimised on an ongoing basis. Value is rigorously maintained and increased by cultivating relationships with tenants, ensuring a high level of occupancy, optimising costs and implementing effective marketing strategies.

Added value through development

Real estate development focuses on the following areas:

› development and construction of new investment properties for the company's own portfolio,
› site development,
› the continued development and optimisation of the company's own real estate holdings,
› development for third parties,
› development, construction and sale of owner-occupied properties.

Sustainability

For Mobimo, sustainability means striking a balance between generating profits today and preserving and enhancing value over the long term. Quality of life is reflected in the design of its living, leisure and working spaces. In addition to economic considerations, Mobimo also incorporates environmental and socio-cultural factors into its activities. This results in added value for both shareholders and the users of Mobimo properties.

Solid financing

Mobimo can borrow on both a short and long-term basis. Equity should represent at least 40% of total assets.

Profitable investment

Mobimo shares are characterised by steady value growth and regular, attractive payouts.

Business model

Mobimo pursues its long-term objectives based on a clear strategy and an established, stable business model.

Buying and selling

Mobimo strives to gradually grow its real estate portfolio. This growth takes place primarily through the construction of investment properties for the company's own portfolio as well as through the acquisition of individual properties and portfolios. Growth can also be achieved through company takeovers.

Development and implementation

Real estate development focuses on:

- the development and construction of new investment properties for the company's own portfolio,
- site development,
- the continued development and optimisation of our own real estate holdings,
- development for third parties,
- development, construction and sale of owner-occupied properties.

Portfolio management

The real estate portfolio is optimised on an ongoing basis. Value is rigorously maintained and increased by cultivating relationships with tenants, ensuring a high level of occupancy, optimising costs and implementing effective marketing strategies.

Solid financing

Mobimo can borrow on both a short and long-term basis. Equity should represent at least 40% of total assets.

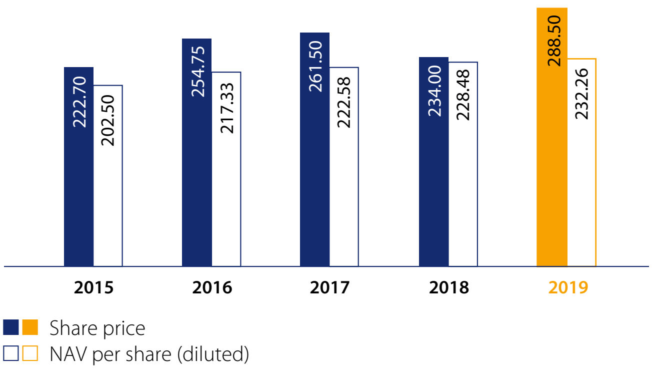
Mobimo on the capital market

The Mobimo share price closed the year at CHF 288.50. Mobimo remains Switzerland's fourth-largest listed real estate company in terms of its portfolio size and market capitalisation.

The registered shares of Mobimo Holding AG are traded on the SIX Swiss Exchange in Zurich and are listed in accordance with the Standard for Real Estate Companies.

Ticker symbol	MOBN
Swiss security no.	1110887
ISIN code	CH0011108872
Bloomberg	MOBN SW Equity
Reuters	MOBN.S

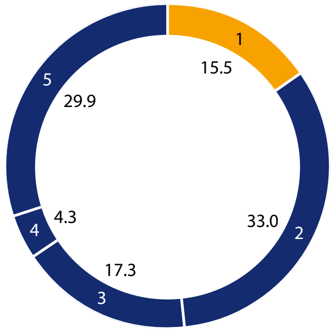
Share price compared with NAV/share
CHF



- Net asset value (NAV) per share stood at CHF 232.26 as at 31 December 2019 (prior year: CHF 228.48). Diluted NAV per share was CHF 232.26 (prior year: CHF 228.48). Difference compared with the prior year 1.7%.
- Share price as at 31 December 2019 of CHF 288.50 was 24.2% above the diluted NAV of CHF 232.26.
- Trading of an average of 11,256 shares daily (prior year: 7,439 shares). Average daily turnover of around CHF 2.9 million (prior year: CHF 1.8 million).
- Revenue in 2019 of CHF 722.7 million (prior year: CHF 451.0 million).

Composition of shareholders
%

1 Individuals
2 Pension funds, insurers, banks
3 Foundations, funds
4 Other companies
5 Shares pending registration



As at 31 December 2019, the following shareholders held 3% or more of the share capital:
- Credit Suisse Funds AG, 5.5%,
- BlackRock, Inc., 4.95%,
- Zuger Pensionskasse, 3.18%,
- UBS Fund Management (Switzerland) AG, 3.08%,
- Dimensional Holdings Inc., 3.00%.

According to the SIX Swiss Exchange definition, the free float stood at 100% as at 31 December 2019.

Market capitalisation in a sector comparison
- Fourth-largest Swiss real estate company measured in terms of its portfolio size and market capitalisation as at 31 December 2019.
- Market capitalisation increased from CHF 490 million to CHF 1,904.5 million during the period from December 2005 to December 2019.
- Market capitalisation stood at CHF 1,904.5 million at year-end (prior year: CHF 1,544.8 million).

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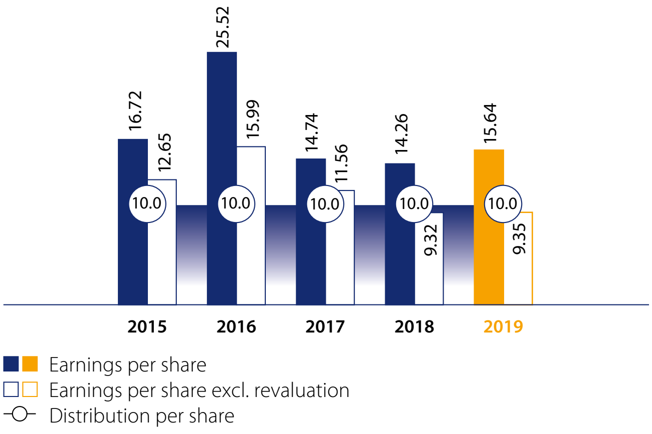
Earnings per share and distribution per share
CHF



- Earnings per share CHF 15.64 (prior year: CHF 14.26). Earnings per share excluding revaluation CHF 9.35 (prior year: CHF 9.32).
- Distribution per share for the 2019 financial year should be CHF 10.00 (prior year: CHF 10.00) subject to the approval of the Annual General Meeting.
- Based on the 2019 year-end price, the distribution yield stands at 3.5% (prior year: 4.3%).
- Average annual distribution yield of around 4.0%, calculated on the basis of the respective year-end share price over the last five years.
- Continued long-term and shareholder-friendly distribution policy. Attractive distribution per share in the form of a withholding-tax-exempt and tax-free nominal value repayment or capital repayment for private individuals since the Group was listed in 2005.

Mobimo share data

	Unit	2015	2016	2017	2018	2019
Share data as at 31.12.						
Share capital	CHF million	180.3	180.3	180.3	154.5	154.5
Registered shares issued	Number	6,218,170	6,218,170	6,218,170	6,601,547	6,601,547
Of which treasury shares	Number	1,247	2,044	501	4,933	4,382
Registered shares outstanding	Number	6,216,923	6,216,126	6,217,669	6,596,614	6,597,165
Nominal value per registered share	CHF	29.00	29.00	29.00	23.40	23.40
Ratios as at 31.12.						
Earnings per share	CHF	16.72	25.52	14.74	14.26	15.64
Earnings per share excluding revaluation	CHF	12.65	15.99	11.56	9.32	9.35
NAV per share (diluted)	CHF	202.45	217.33	222.58	228.48	232.26
Distribution per share[1]	CHF	10.00	10.00	10.00	10.00	10.00
Distribution yield	%	4.5	3.9	3.8	4.3	3.5
Payout ratio	%	59.8	39.2	67.8	70.1	63.9
Share price						
Share price – High	CHF	229.40	254.75	279.25	268.00	291.50
Share price – Low	CHF	190.50	206.10	250.25	217.00	234.00
Share price as at 31.12.	CHF	222.70	254.75	261.50	234.00	288.50
Average no. of shares traded per day	Number	11,638	10,035	7,516	7,439	11,256
Market capitalisation as at 31.12.	CHF million	1,384.8	1,584.1	1,626.1	1,544.8	1,904.5

[1] Distribution for the 2019 financial year of CHF 10.00 per share by means of a capital value repayment in accordance with the proposal to the Annual General Meeting of 31 March 2020.

- Average annual performance (total return) of 6.3% since the initial public offering in June 2005.
- The share price rose by 23.3% from CHF 234.00 at the start of the year to CHF 288.50 at the end of the year.
- The total return per share (incl. price changes) was 27.6% in 2019.

You can find the key Mobimo bond data on page 80.

REAL ESTATE PORTFOLIO

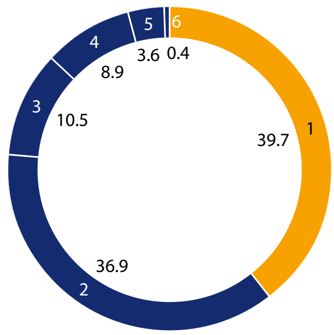
Overview of the portfolio

The total value of Mobimo's real estate portfolio grew to just under CHF 3.3 billion in the year under review, with additions to the portfolio from the company's own development activities increasing its quality on an ongoing basis. Mobimo concentrates on Switzerland's major economic areas.

As at 31 December 2019, Mobimo's real estate portfolio (including trading properties) comprised 139 properties. It can be broken down into investment properties with a value of CHF 2,600 million and development properties with a value of CHF 698 million.

Breakdown of portfolio by economic area[1]
%

1 Zurich
2 French-speaking Switzerland
3 Central Switzerland
4 North-western Switzerland
5 Eastern Switzerland
6 Berne



[1] Breakdown of fair values/ carrying amounts of properties by economic area (overall portfolio).

Total real estate portfolio value
CHF million
2018: 3,078
3,298

Properties (incl. trading properties)
Number
2018: 137
139

Proportion of investment properties in real estate portfolio
%
2018: 75
79

Real estate portfolio figures

CHF million	2019	%	2018	%
Total real estate portfolio value	**3,298**	**100**	**3,078**	**100**
Investment properties	**2,600**	**79**	**2,318**	**75**
Commercial investment properties[1,2]	1,377	42	1,221	40
Residential investment properties	1,223	37	1,097	35
Development properties	**698**	**21**	**760**	**25**
Commercial properties (investment)[2]	367	11	433	14
Residential properties (investment)	72	2	132	4
Commercial properties (trading)	31	1	58	2
Residential properties (trading)	228	7	137	5

[1] Incl. owner-occupied properties and excl. tenant improvements (see Note 24 on page 98).
[2] Excluding right-of-use assets.

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Investment properties

79% of the real estate portfolio comprises investment properties. These are broadly diversified in terms of both their location in Switzerland's major economic areas and type of use. The annual potential rental income of the investment properties (excluding development properties and properties in current assets) generated by the rentable area of approximately 473,000 m² as at 31 December 2019 was CHF 117 million, producing stable and predictable income. The information on the economic areas is based on the detailed information on commercial and residential properties set out in the Property details section (see page 108 and following).

Details of the investment properties

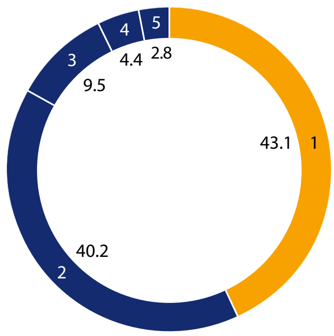
	31.12.2019
Zurich area	
Fair value TCHF[1]	1,119,534
Target rental income TCHF	48,613
Vacancy rate in %	3.3
Rentable area in m²	186,215
French-speaking Switzerland	
Fair value TCHF[1]	1,044,375
Target rental income TCHF	45,475
Vacancy rate in %	3.6
Rentable area in m²	161,448
North-western Switzerland	
Fair value TCHF	247,460
Target rental income TCHF	11,509
Vacancy rate in %	6.2
Rentable area in m²	71,169
Eastern Switzerland	
Fair value TCHF	115,520
Target rental income TCHF	7,277
Vacancy rate in %	2.5
Rentable area in m²	34,458
Central Switzerland	
Fair value TCHF	73,210
Target rental income TCHF	4,387
Vacancy rate in %	7.4
Rentable area in m²	19,506
Total	
Fair value TCHF	2,600,099
Target rental income TCHF	117,261
Vacancy rate in %	3.8
Rentable area in m²	472,796

[1] For included owner-occupied properties, the carrying amount is used.

Breakdown of investment properties by economic area[1]

%

1 Zurich
2 French-speaking Switzerland
3 North-western Switzerland
4 Eastern Switzerland
5 Central Switzerland



[1] Breakdown of fair values/carrying amounts of properties by economic area (investment properties).

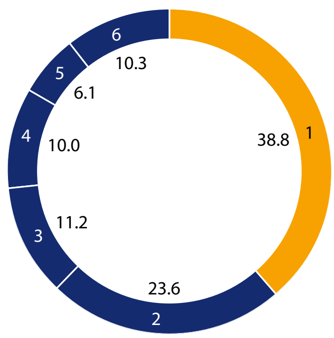
In-house portfolio management

Mobimo manages the portfolio through its own in-house management team and with its own facility management unit, which gives it proximity to the market and to its tenants. Mobimo ensures a high level of occupancy, imposes lean cost management and implements appropriate marketing strategies. The portfolio management team also helps preserve and enhance value through the portfolio strategy.

Rental income by type of use[1]

%

1 Residential
2 Office
3 Retail
4 Hotels/catering
5 Industry
6 Other use[2]



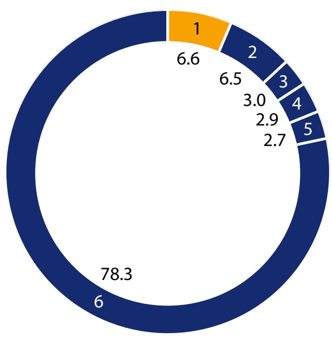
[1] Breakdown of target rental income by type of use (investment properties).
[2] Other use mainly comprises car parks and ancillary uses.

The five biggest tenants generate 21.7% of rental income. The existing fixed-term rental agreements primarily have a medium to long-term maturity profile. The average residual term is 7.0 years.

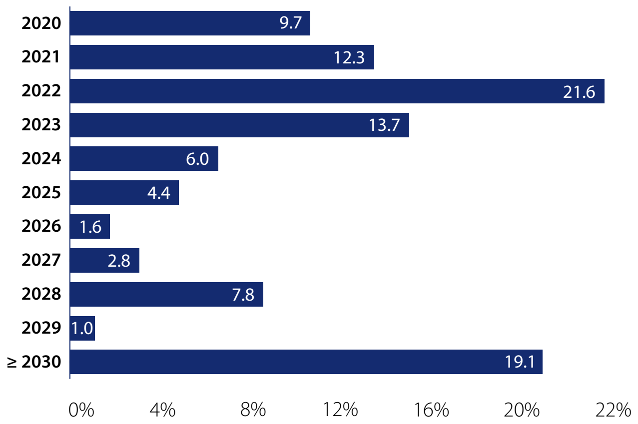
Shares of the five biggest tenants

%

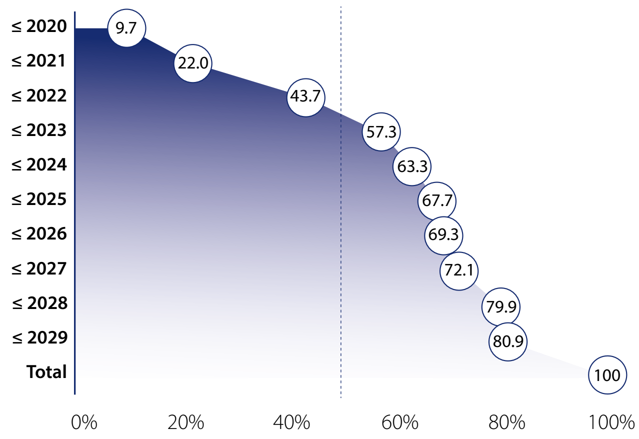
1 SV Group
2 Swisscom Group
3 Coop Group
4 Senevita AG
5 Rockwell Automation Switzerland
6 Other tenants



Length of existing fixed rental agreements
As at each year-end



Length of existing fixed rental agreements
As at each year-end (cumulative)



Development properties

The investment portfolio is fed on an ongoing basis through the development of residential and commercial properties for Mobimo's own portfolio. The newly constructed properties further enhance the portfolio's quality.

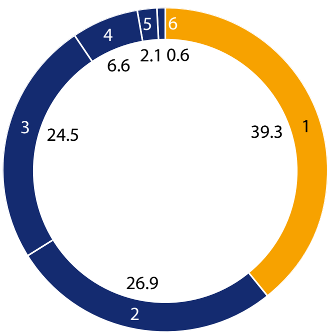
Mobimo is currently planning and realising properties with a total investment volume of around CHF 1,160 million from its own developments, broken down into CHF 750 million for investment properties for its own portfolio and CHF 410 million for condominiums to be sold.

Development for Third Parties

In addition to developments for its own portfolio and for the sale of condominiums, Mobimo is also active in the area of development services for third parties. Its offering ranges from area, site and project developments to turn-key real estate investments for institutional and private investors. The form taken by each cooperation with a partner depends on the specific requirements and on the project phase reached. The volume of investment properties under construction or planned for third parties is CHF 840 million.

Breakdown of development properties by economic area[1]
%

1 Central Switzerland
2 Zurich
3 French-speaking Switzerland
4 North-western Switzerland
5 Berne
6 Eastern Switzerland



[1] Breakdown of fair values/carrying amounts of properties by economic area (development properties).

Details of the development pipeline[1]

	31.12.2019
Central Switzerland	
Own-portfolio development in %	15
Development of condominiums for sale in %	22
Planned investment volume (in million CHF)	430
French-speaking Switzerland	
Own-portfolio development in %	31
Development of condominiums for sale in %	0
Planned investment volume (in million CHF)	360
Zurich area	
Own-portfolio development in %	11
Development of condominiums for sale in %	11
Planned investment volume (in million CHF)	260
North-western Switzerland	
Own-portfolio development in %	8
Development of condominiums for sale in %	2
Planned investment volume (in million CHF)	110
Total	
Own-portfolio development in %	65
Development of condominiums for sale in %	35
Planned investment volume (in million CHF)	1,160

[1] Share of total investment volume of CHF 1,160 million (under construction and in planning).

Selected site developments

Two districts developed by Mobimo were completed in 2019: the Aeschbachquartier in Aarau and the Mattenhof in Kriens. Further interesting sites are in the pipeline.

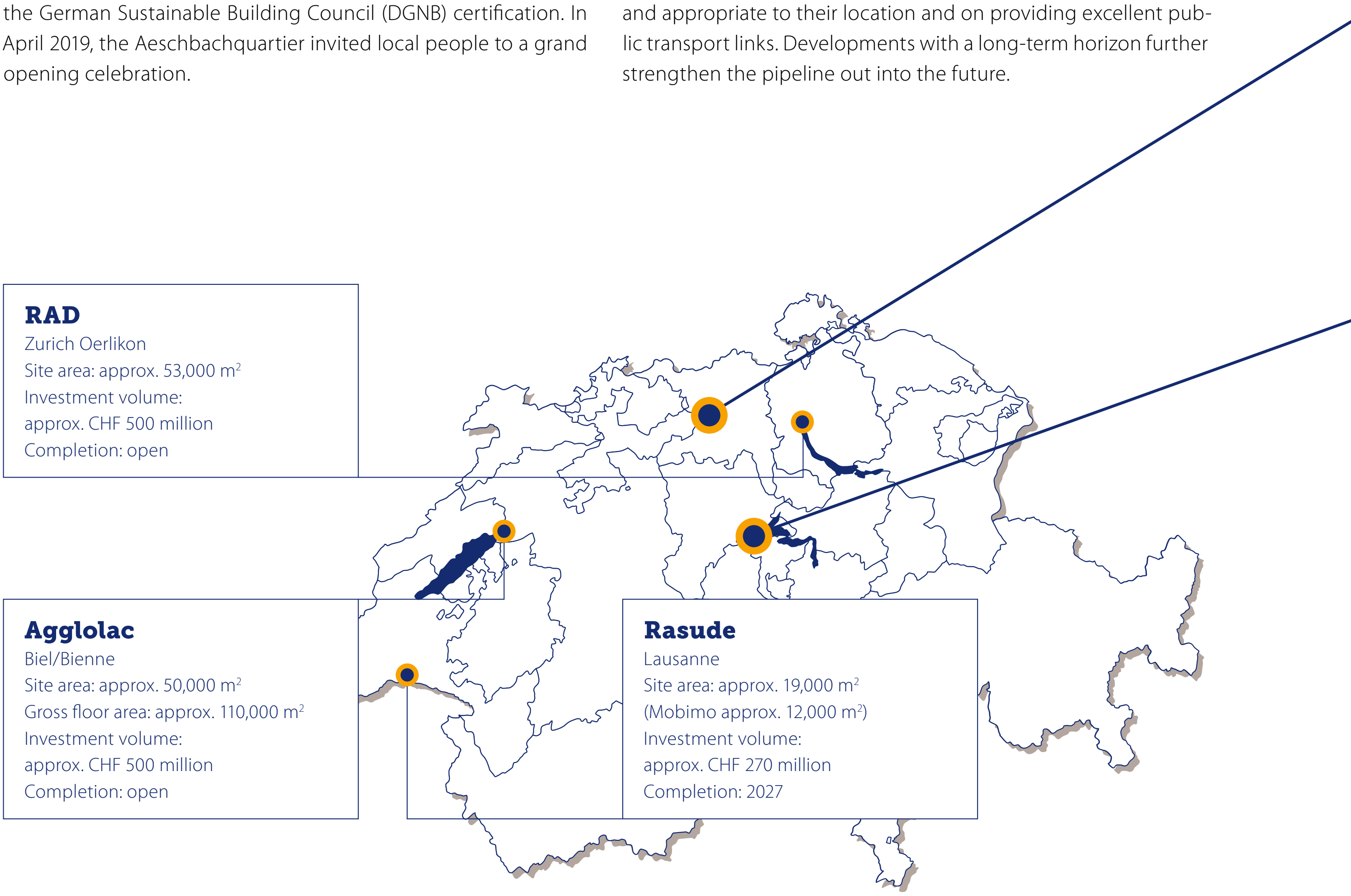
Mobimo has many years of experience in site development. The company owns the Le Flon district in Lausanne, which is known throughout Switzerland and attracts more than 20,000 visitors per day.

Mobimo developed the Aeschbachquartier in Aarau. Condominiums and rental apartments, together with commercial space on the ground floor, a public park and the historic, painstakingly renovated Aeschbachhalle make the district an attractive new meeting place in the city, the capital of the canton of Aargau. The Aeschbachquartier is the first district in Switzerland to be awarded the German Sustainable Building Council (DGNB) certification. In April 2019, the Aeschbachquartier invited local people to a grand opening celebration.

The Mattenhof in Kriens is a new urban district with excellent transport connections, offering rental apartments, office, commercial space and restaurants, plus a 160-room hotel in the important business hub of Lucerne South. It was officially opened in September 2019.

In Lausanne, alongside the ongoing development of the Quartier du Flon, the main focus is on the Rasude project. Here, Mobimo has teamed up with SBB Immobilien to transform the former Swiss Post distribution centre at Lausanne's main railway station into a new mixed-use district.

In all its site developments, Mobimo places huge emphasis on urban planning and architectural quality, taking relevant sustainability criteria into account, on ensuring that offerings are diverse and appropriate to their location and on providing excellent public transport links. Developments with a long-term horizon further strengthen the pipeline out into the future.



AESCHBACH QUARTIER AARAU

Site area: approx. 55,000 m²
Investment volume:
approx. CHF 170 million
Opening: April 2019

DIE MIKROPOLE MATTENHOF LUZERNSÜD

Site area: approx. 15,800 m²
Investment volume:
approx. CHF 170 million
Opening: September 2019

GROUP MANAGEMENT REPORT

Group business performance

Mobimo's profit was up 14% year on year in the 2019 financial year. Rental income increased to CHF 125.0 million. The vacancy rate remained low, standing at 3.8% at the end of the year.

Financial performance

- As expected, rental income posted considerable growth and was up 10% on the previous year at CHF 125.0 million (prior year: CHF 114.1 million).
- The vacancy rate as at 31 December 2019 was a low 3.8% (prior year: 2.9%).
- As announced, profit from development projects and sale of trading properties was lower in the year under review, at CHF 3.0 million (prior year: CHF 6.2 million).
- At CHF 51.5 million, net income from revaluation significantly exceeded the prior year's figure (CHF 42.0 million).

The profit attributable to the shareholders of Mobimo in the 2019 financial year was CHF 103.2 million (prior year: CHF 90.6 million). Excluding revaluation, the profit attributable to the shareholders of Mobimo was CHF 61.7 million (prior year: CHF 59.2 million). The company recorded EBIT of CHF 134.0 million (prior year: CHF 133.6 million), or CHF 82.5 million excluding revaluation (prior year: CHF 91.7 million). This resulted in earnings per share of CHF 15.64 (prior year: CHF 14.26), or CHF 9.35 excluding revaluation (prior year: CHF 9.32).

Rental business and transaction market

The rental business continued to grow thanks to the new additions to the portfolio from Mobimo's own development activities, reflected in a 10% rise in rental income year on year to CHF 125.0 million (prior year: CHF 114.1 million). In line with expectations, the direct cost/income ratio for rented properties was lower year on year at 15% (prior year: 18%). This resulted in a 14% increase in net rental income to CHF 106.7 million (prior year: CHF 94.0 million). The vacancy rate as at 31 December 2019 remained low, standing at 3.8% (prior year: 2.9%). Like-for-like rental income was –0.1% (prior year: 0.6%) in the 2019 financial year. Mobimo achieved an unchanged net yield of 3.7% with its investment properties as at 31 December 2019 (prior year: 3.7%).

The following investment properties under construction were transferred to the investment portfolio:

- Aarau, Site 2 (Torfeld Süd),
- Horgen, Seestrasse 93 (Seehallen).

The target rental income from these additions was CHF 7.3 million (prior year: CHF 15.4 million).

The company's pipeline comprises further investment properties under construction for the company's own portfolio with a total investment volume of around CHF 250 million. The potential target rental income of these projects is CHF 15 million.

Mobimo sold just one commercial property and associated expansion project (target rental income of CHF 0.9 million) in the 2019 financial year, whereas ten smaller residential properties (target rental income of CHF 4.6 million) and five commercial properties (target rental income of CHF 4.7 million) were sold in the previous year. The sale generated income of CHF 22.6 million (prior year: CHF 200.0 million), resulting in net income of CHF 6.4 million (prior year: CHF 29.0 million).

Key financial performance figures

	Unit	2,019	2,018	Change in %
Net rental income	CHF million	106.7	94.0	13.5
Profit on development projects and sale of trading properties	CHF million	3.0	6.2	–51.3
Net income from revaluation	CHF million	51.5	42.0	22.8
Profit on sale of investment properties	CHF million	6.4	29.0	–78.0
Operating result (EBIT)	CHF million	134.0	133.6	0.3
Operating result (EBIT) excl. revaluation	CHF million	82.5	91.7	–10.0
Financial result	CHF million	–28.4	–27.0	5.0
Tax expense	CHF million	–5.1	–19.4	–73.6
Profit	CHF million	103.1	90.3	14.2
Profit attributable to the shareholders of MOH	CHF million	103.2	90.6	13.8
Profit attributable to the shareholders of MOH excl. revaluation	CHF million	61.7	59.2	4.3

The "Definition of Alternative Performance Measures" document, available at www.mobimo.ch > Investors > Investor services > Glossary, includes definitions of performance measures that are not defined under IFRS, EPRA, SIA (Swiss Society of Engineers and Architects) standard D 0213, Corporate Governance Best Practice Recommendations or other standards.

Revaluation

The revaluation of investment properties and of investment properties under construction resulted in net income from revaluation of CHF 51.5 million (prior year: CHF 42.0 million), of which CHF 16.0 million (prior year CHF 23.2 million) is attributable to operating performance, i.e. progress in the realisation of investment properties under construction for the company's own portfolio. The value of the other investment properties increased by CHF 35.5 million (prior year: CHF 18.8 million). The average (nominal) discount rate applied by the independent property appraiser in the valuations was 3.8% (prior year: 3.9%). The average (real) capitalisation rate was 3.3% (prior year: 3.4%).

Development projects and sale of trading properties

The contribution from development activities for third parties, which by its nature is volatile, was down once again year on year in 2019. Income of CHF 61.7 million (prior year: CHF 62.2 million) was generated from development projects and the sale of trading properties. This resulted in profit from development projects and the sale of trading properties of CHF 3.0 million (prior year: CHF 6.2 million). A total of ten condominiums were transferred to new owners, nine of which were in the Aarau, Site 4 (Torfeld Süd) project.

As at 31 December 2019, the pipeline comprised planned condominium projects with a total investment volume of some CHF 370 million and planned developments of investment properties for third parties with a total investment volume of around CHF 840 million.

Personnel, operating, administrative and tax expenses

The number of FTEs as at the reporting date rose to 161.5 (prior year: 157.3), of which 39.1 were attributable to Mobimo FM Service AG (prior year: 32.9). The reason for the increase is the further expansion of the services provided by Mobimo FM Service AG in the greater Zurich area and now also in Lausanne. Personnel expenses in the reporting period were CHF 28.9 million (prior year: CHF 30.4 million). The higher expenses in the prior year were due to a one-off accounting effect from an adjustment to the staff pension schemes.

Operating and administrative expenses were down slightly year on year in 2019 at CHF 14.0 million (prior year: CHF 14.2 million).

Tax expense was CHF 5.1 million (prior year: CHF 19.4 million). The significant decrease compared with the prior year was due in particular to the one-off effect of changes to future tax rates applicable in various cantons.

Financial position

- As at 31 December 2019, total assets were CHF 3,450.8 million, above the prior-year figure of CHF 3,365.2 million.
- The equity ratio was a solid 44.4% (prior year: 45.0%), forming a healthy basis for further growth.

As at the end of the 2019 financial year, total assets had increased by a further 2.5% (prior year: 5.3%) to CHF 3,450.8 million. This was mainly attributable to the 7.1% year-on-year growth in the real estate portfolio to CHF 3,297.7 million (prior year: CHF 3,077.9 million). The growth in the real estate portfolio was due in particular to investments in the construction of investment properties for the company's own portfolio. As a result, the share of non-current assets in total assets as at the end of the financial year also increased to 89.7% (prior year: 87.1%).

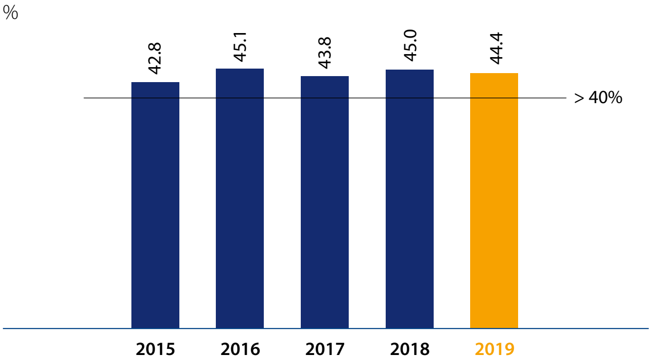
Key financial position figures

	Unit	2,019	2,018	Change in %
Assets	CHF million	3,450.8	3,365.2	2.5
Non-current assets	CHF million	3,093.8	2,931.4	5.5
Current assets	CHF million	357.0	433.7	–17.7
Equity	CHF million	1,532.3	1,513.5	1.2
Return on equity	%	7.1	6.6	7.6
Return on equity excl. revaluation	%	4.2	4.3	–2.3
Liabilities	CHF million	1,918.5	1,851.7	3.6
› Current liabilities	CHF million	258.1	165.9	55.6
› Non-current liabilities	CHF million	1,660.4	1,685.7	–1.5
Equity ratio	%	44.4	45.0	–1.3

With an equity ratio of 44.4% as at 31 December 2019 (prior year: 45.0%), Mobimo continues to have a solid capital base. Mobimo's corporate strategy specifies an equity ratio of at least 40%.

Equity ratio

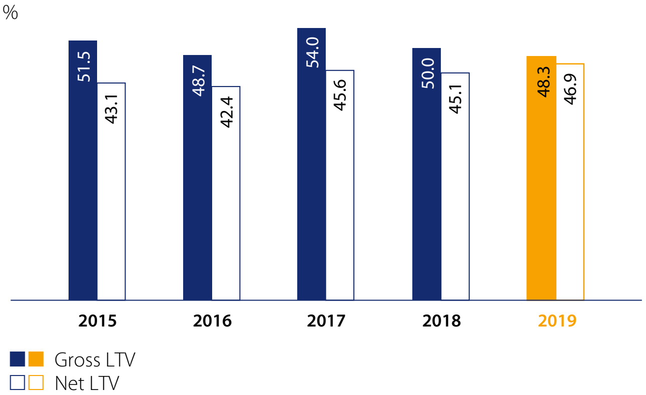
%



— Minimum target value

The gross loan to value (LTV) was 48.3% as at 31 December 2019 (prior year: 50.0%) and the net LTV was 46.9% (prior year: 45.1%). At 2.9, the interest coverage ratio was well above the minimum target of 2.0. This means that Mobimo is readily able to finance its financial obligations from its operating activities. With regard to its capital structure, Mobimo aims to achieve long-term net gearing of a maximum of 150%. On 31 December 2019, Mobimo recorded net gearing of 101.1% (prior year: 91.7%).

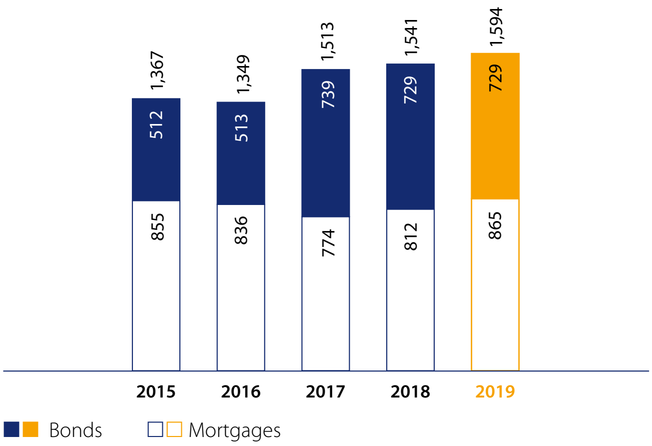
Gross and net loan to value (LTV)
%



Financial liabilities

The company's financial liabilities currently consist of listed bonds and mortgage-secured bank loans. The average interest rate for financial liabilities fell significantly year on year in 2019 to 1.82% (prior year: 2.01%). As at the reporting date of 31 December 2019, the average interest rate had again fallen considerably and stood at 1.68% (prior year: 1.90%). Mobimo will continue to use the attractive interest rate environment to keep interest rates low. The average residual maturity of financial liabilities as at the reporting date was still within the target range at 5.3 years (prior year: 6.1 years). The long-term financing and solid capital base form a good foundation for the company's further development and for investment in the projects in the pipeline.

Financial liabilities
CHF million



Investments

Investment activities at Mobimo focus on the realisation of the project pipeline. As at 31 December 2019, the pipeline contained projects for the company's own portfolio with a total investment volume (incl. building plots) of some CHF 750 million, which included:

› investment properties for the company's own portfolio – under construction: CHF 250 million,
› investment properties for the company's own portfolio – in planning: CHF 500 million.

The pipeline for Development for Third Parties and condominium projects, with a combined investment volume of around CHF 1,250 million, breaks down as follows:

› trading properties: condominiums – under construction: CHF 40 million,
› trading properties: condominiums – in planning: CHF 370 million,
› development of investment properties for third parties – under construction and in planning: CHF 840 million.

There is further medium-term investment potential from site developments of some CHF 1.0 billion.

Manuel Itten, CFO

Sustainability

Mobimo has for many years incorporated sustainability criteria and since 2011 measurable sustainability targets into its corporate and project strategy, its property strategy and its corporate governance.

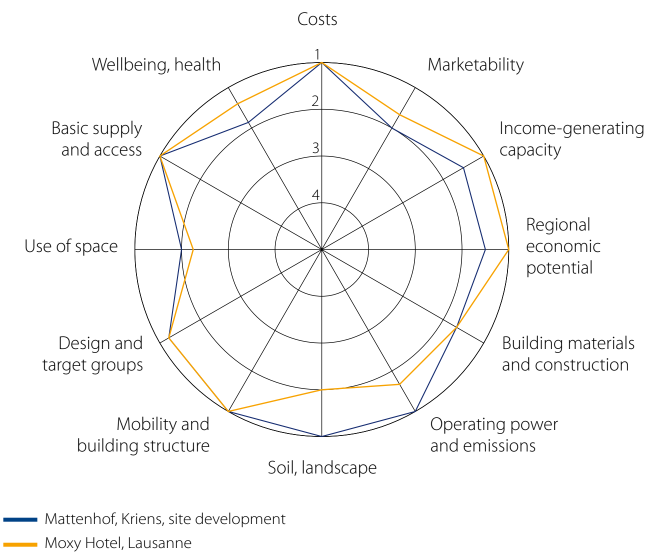
There are three dimensions to Mobimo's sustainability strategy: the economy, the environment and society. The Real Estate Committee of the Board of Directors is the top body responsible for carrying out reviews. The Sustainability team is responsible for operational implementation. EY carries out the controls on energy and emissions data (Limited Assurance).

From an economic point of view, Mobimo strives for a healthy balance between the drive for profit and sustainability. It contributes to society first and foremost by supplying high-quality spaces to live and work in. Within the environmental dimension, the focus is not only on cutting energy consumption and emissions from the portfolio properties, but also on environmentally friendly mobility, e.g. through car-pooling arrangements for tenants or by ensuring excellent public transport links. Mobimo publishes details on initiatives and measures in its annual sustainability report in accordance with the Global Reporting Initiative (GRI) Standards, Comprehensive option. The report can be found at www.mobimo.ch under About us > Sustainability.

Mobimo has a proprietary sustainability rating system developed primarily for the internal assessment of its properties. This makes it possible to compare the quality of properties and projects within the portfolio and to verify that the high sustainability requirements are met.

Internal sustainability rating of selected projects

Scale from 5 to 1 (best)



☑ Portfolio data for energy and emissions (investment properties)

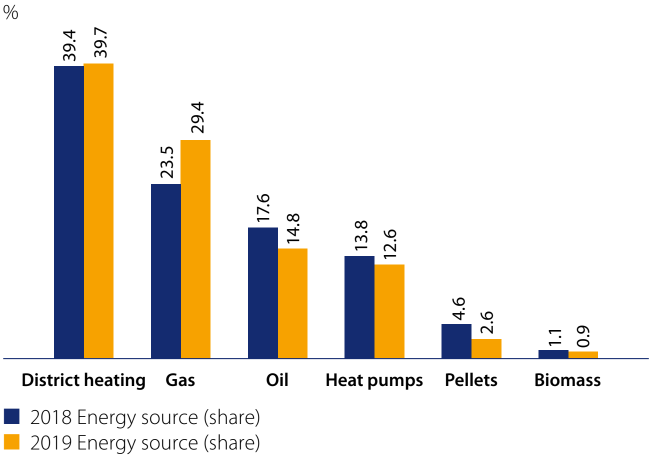
	2011 (baseline year)	2016	Change in %[1]	2018	2019 (actual)	Change in %[2]
Energy-consuming space (m^2)	401,392	597,732	48.9	494,079	449,847	–9.0
Energy consumption for electricity and heating (MWh)	85,947	81,841	–4.8	59,273	68,328	15.3
Energy intensity (kWh/m^2)	214	137	–36.0	120	152	26.7
Emissions (tCO_2eq)	13,931	13,505	–3.1	9,685	11,251	16.2
Emissions intensity ($kgCO_2eq/m^2$)	35	23	–34.3	20	25	25.0

☑ Independent Assurance Report, available at www.mobimo.ch (Sustainability Report).
[1] Between 2011 (baseline year) and 2016 (end of the first five-year stage).
[2] Between 2018 and 2019 (actual).
The respective annual periods refer to the period from 1 July of the corresponding previous year to 30 June of the corresponding year. The energy consumption for electricity and heating (MWh) was checked for all periods. There was an adjustment for 2016 and 2018 as the calculation method was refined. The emissions, energy intensity and emissions intensity reported for the years 2016 and 2018 were therefore adjusted accordingly.

- The energy consumption for electricity and heating corresponds to the value billed for each investment property.
- The calculation of CO_2 emissions is based on heating systems, types of energy used including electricity.
- Continuous reduction in energy consumption and emissions (absolute) between 2011 and 2018. In 2019 increase compared to 2018.
- Reduction in emissions intensity through adjustment in types of energy from 2011 up to and including 2018. Increase in emissions intensity in 2019, primarily attributable to the addition to the portfolio of properties heated with natural gas.

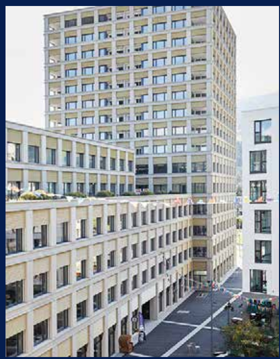
Energy sources used in heating across the portfolio (shares)

%



Sustainability at the Mattenhof

Economy



- The Mattenhof represents a profitable investment for Mobimo in the economic area of Central Switzerland.
- For the municipality of Kriens, the new district brings more than 600 jobs and many new residents, making it an important addition to the area.
- The completion of the Mattenhof is the prelude to the further development of Lucerne South.

Environment

- The project meets the sustainability standards of the SIA Energy Efficiency Path (SIA 2040) and the requirements of the 2000-Watt Society.
- The company's own photovoltaic system meets around two-thirds of the electricity requirements for the heat pumps and air conditioning system.
- During realisation, the ECO-BKP requirements for environmentally friendly materials not harmful to health were met.
- The Mattenhof was built using recycled concrete.
- The Mattenhof has an integrated system (known as an "anergy" system) for distributing heat extracted from groundwater and energy piles to the heat pumps, which then produce energy-efficient heating or cooling.
- Residents receive a free Mobility subscription and have exclusive use of two vehicles in addition to those at the public Mobility location at Mattenhof station.
- The Mattenhof has a bike sharing location.

Society

- The Mattenhof is connected to public transport and the non-motorised traffic artery.
- It offers easy access to the "Freigleis" pedestrian and cycleway.
- Furnished roof terraces for all residents promote a sense of community.
- A fully equipped common room offers everything from coffee and yoga classes to birthday parties.
- "My elastic eye" by Swiss artist Raphael Hefti combines art and architecture in a subtle yet impressive way.
- The entire neighbourhood is obstacle-free (to SIA 500 standards) and has four apartments specially designed to meet the needs of wheelchair users.

Standards and Ratings

GRESB: Green Star
In the 2019 results, the Mobimo portfolio has once again been awarded Green Star certification (best quadrant) with a score of 78 points (+6 from 72 points in 2018).

CDP: Score B, Sector Leader
With a score of B+ (on a scale from A to F), Mobimo achieved a top result within the real estate industry in the Germany/Austria/Switzerland region – the same result as in the previous year.

EPRA sBPR: Gold Award
Mobimo's EPRA Sustainability Best Practice Recommendations Report was once again awarded the EPRA sBPR Gold Award, the highest award of its kind.

DGNB: Gold Certificate
With the Aeschbachquartier in Aarau, Mobimo is developing the first district in Switzerland to be awarded German Sustainable Building Council (DGNB) certification.

2000-Watt site: AGGLOlac
AGGLOlac is set to be the first 2000-Watt site in the Biel/Bienne region. This certificate demonstrates that the planned urban expansion meets the criteria set out by the 2000-Watt Society for the sustainable use of energy resources.

Employers We Trust
This label is awarded to companies that set themselves apart through the high appreciation that they demonstrate for their employees.

CORPORATE GOVERNANCE

Corporate governance report

For Mobimo, good corporate governance is a key element of business management. The company sees good corporate governance as being the responsible management and control of the company with a focus on sustainable value creation.

The corporate governance report contains the information required under the SIX Swiss Exchange Directive Corporate Governance (DCG) and is largely based on the structure of the Annex to this directive. Cross-references are made to other sections of the Annual Report in order to avoid repetitions. The assessment of the independence of the members of the Board of Directors is based on the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

Group structure and shareholders

Group structure

Company	Mobimo Holding AG
Registered office	Lucerne
Place of listing	SIX Swiss Exchange
Market capitalisation as at 31.12.19	CHF 1,904.5 million
Swiss security no.	1110887
ISIN code	CH0011108872

Mobimo Holding AG is the parent company of the Mobimo Group and is listed on the SIX Swiss Exchange. An overview of all Group companies and shareholdings can be found in the Note 32 to the consolidated annual financial statements on page 105.

The subsidiaries controlled by Mobimo Holding AG are grouped together by joint management. The Board of Directors of Mobimo Holding AG is the most senior supervisory and management body. The Board of Directors has delegated the operational management of the Mobimo Group to the (Group) Executive Board. An overview of the members of the Executive Board can be found on pages 35 to 39. In order to ensure a consistent Group policy and optimal co-ordination within the Mobimo Group, the Board of Directors of each individual Group company delegates the management of that company to the Group Executive Board (subsequently referred to as "Executive Board"), unless the Group company has its own Executive Board.

The Mobimo Group divides its activities into two business areas: Real Estate and Development.

The Real Estate business area comprises:

› Portfolio and Transactions: responsible for portfolio management, purchase and sale of investment properties, first and second letting of investment properties, and sale of condominiums;
› Property Management: includes the tasks and services of site management, property management and facility management.

The Development business area comprises:

› Development: includes the development of construction projects for third-party investors, development of investment properties for our own portfolio and development of condominiums, and acquisition of sites and building plots for development activities;
› Realisation: responsible for construction projects commissioned by Mobimo, monitors construction activity and manages the quality assurance process during the construction phase.

The segment statement, including further information on the segments, can be found in Note 3 to the consolidated financial statements on page 60 of this Annual Report.

Significant shareholders

An overview of significant shareholders and other shareholder details can be found in the section Mobimo on the capital market on pages 8 and 9 of this Annual Report.

The disclosure reports drawn up in the reporting year within the meaning of Article 120 of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA) and the provisions of the Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIO) can be found on the SIX Exchange Regulation website (www.six-exchange-regulation.com) under Publications > Significant shareholders.

Cross-shareholdings

There are no cross-shareholdings.

Capital structure

Capital

Capital as at 31 December 2019	Total (TCHF)	Number of registered shares	In %	Nominal value per share (CHF)
Share capital	154,476	6,601,547	100	23.40
Authorised capital	max. 19,109	816,623	12.4	23.40
Conditional capital	max. 759	32,446	0.5	23.40

Authorised and conditional capital in particular

The authorised and conditional capital are defined in Articles 3a and 3b of the Articles of Association. The exact wording of the provisions of the Articles of Association of Mobimo Holding AG regarding approved and conditional capital can be found at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

Authorised capital

The Board of Directors is authorised until 27 March 2020 to increase the company's share capital by issuing a maximum of 816,623 fully paid-up registered shares. Increases may take place all in one go or in stages. The issue price, type of contributions, conditions governing the exercise of subscription rights, allocation of the excluded subscription rights and timing of the dividend entitlement are determined by the Board of Directors. The Board of Directors decides on unexercised subscription rights in the best interests of the company. Once acquired, the new registered shares are subject to restrictions on transfer. Shareholders' subscription rights may be excluded by the Board of Directors for the purpose of an acquisition or (e.g. in the case of a share placement) the financing of the acquisition of land by the company or a subsidiary or for the purpose of taking over or financing the takeover of companies, parts of companies or participations by the company or a subsidiary. Acquisitions or takeovers are permitted only in keeping with the purpose stipulated by the company.

Conditional capital

The share capital may be increased through the issue of up to 32,446 fully paid-up registered shares, subject to the exclusion of subscription rights. Use thereof is restricted as follows:

› Up to 32,446 fully paid-up registered shares can be issued through the exercise of subscription rights in connection with subscription rights for employees created after 5 May 2010.

For the share-based compensation of the Board of Directors and the Executive Board, shares already created will be used from 2020 onwards.

The acquisition of registered shares through the exercise of option rights and the subsequent transfer of these registered shares are subject to the following statutory restrictions on transfer.

As at the reporting date, there were no options to create registered shares from conditional capital.

Shares and participation certificates

Share capital stood at CHF 154,476,200 as at 31 December 2019 and comprised 6,601,547 fully paid-up registered shares with a value of CHF 23.40. With the exception of the treasury shares held by Mobimo, every share entered with voting rights in the company's share register has one vote and every share (regardless of whether it is entered in the share register) is entitled to dividends. There are no preference shares or voting shares. Mobimo Holding AG has not issued any participation certificates.

Dividend-right certificates

Mobimo Holding AG has not issued any dividend-right certificates.

Restrictions on transferability and registration of nominees

Article 6 of the Articles of Association defines the restrictions on transferability. The exact wording of Article 6 of the Articles of Association can be found at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

The Board of Directors may deny authorisation to transfer shares for the following reasons:

› insofar as recognising a transferee as a full shareholder may, according to the information available to it, hinder the company from providing proof of Swiss control as stipulated by federal laws; specifically, in accordance with the Swiss Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA) of 16 December 1983, including the amendments of 30 April 1997, and the Federal Council decision on measures against improper use of federal double taxation agreements of 14 December 1962;

› if, despite requests from the company, the transferee fails to expressly declare that they have acquired and intend to hold the shares in their own name and for their own account;

› if, following the acquisition of the shares, the number of shares held by the transferee exceeds 5% of the total number of shares recorded in the Commercial Register. Legal entities and partnerships vested with legal capacity which are grouped together in terms of capital or voting rights, by joint management or in a similar way, as well as natural persons or legal entities and partnerships which act together in a coordinated manner with a view to circumventing the restrictions on registration, shall be deemed as one transferee for the purposes of these conditions;

› as soon as and insofar as the acquisition of shares takes the total number of shares held by persons abroad as defined by the Swiss Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA) to over one-third of the shares recorded in the Commercial Register. This restriction shall apply subject to Article 653c paragraph 3 of the Swiss Code of Obligations, including in the case of registered shares acquired through the exercise of subscription, option or conversion rights.

In order to ensure compliance with the thresholds indicated, prior to being entered in the share register new shareholders are scrutinised as regards their status as Swiss citizens pursuant to ANRA. If they cannot be verified as Swiss citizens, then provided all other conditions are met they are entered in the category of restricted persons without voting rights, as long as the threshold of one-third of all shareholders is not exceeded and provided there is no other risk, such as tighter practices on the part of the licensing authority, that the entry of the non-Swiss shareholder will result in the company no longer being able to furnish evidence of Swiss control.

As at 31 December 2019, 18.62% (of which 16.24 percentage points have voting rights) of the registered shares were held by shareholders who are classified in the share register as persons abroad or restricted persons (entered but without voting rights) according to the above definition.

The Articles of Association do not contain any provisions pertaining to the registration of nominees. The Board of Directors has laid down the following nominee registration principles in the regulations governing the administration of the share register and the recognition and registration of shareholders of Mobimo Holding AG:

› Without disclosure of the name, head office/address and shareholding of those shareholders for whose account the nominee holds the shares, the nominee shall be entered in the share register as a shareholder with voting rights up to a maximum recognition threshold of 2% of the registered shares entered in the Commercial Register.
› Without disclosure of the name, head office/address and shareholding, no more than 0.25% of the share capital which is entered in the Commercial Register may be registered by the relevant nominee in the share register as shares with voting rights for one and the same purchaser.
› The nominee must conclude an agreement with the company which precisely defines the applicable rights and obligations. Nominee registrations may in total not exceed 10% of the shares entered in the Commercial Register. Once this 10% threshold is reached, the company may not register any further nominees. As at the reporting date, nominee registrations accounted for 6.64% of registered shares (6.64% with voting rights). The restrictions mentioned above also apply (5% clause and maximum proportion of non-Swiss shares without voting right restrictions).

No registrations were rejected during the year under review. The Articles of Association do not contain any provisions pertaining to the revocation of statutory privileges (and none have been granted) or the revocation of restrictions on transferability. As a result, the provisions of the Swiss Code of Obligations apply.

Convertible bonds and options

As at 31 December 2019, Mobimo had no outstanding convertible bonds or options.

Changes in capital

Changes	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital as at 31.12.2015	180,327	6,218,170	29.00
Share capital as at 31.12.2016	180,327	6,218,170	29.00
Share capital as at 31.12.2017	180,327	6,218,170	29.00
Share capital as at 31.12.2018	154,476	6,601,547	23.40
Share capital as at 31.12.2019	154,476	6,601,547	23.40
Authorised capital as at 31.12.2015	33,093	1,141,150	29.00
Authorised capital as at 31.12.2016	34,800	1,200,000	29.00
Authorised capital as at 31.12.2017	34,800	1,200,000	29.00
Authorised capital as at 31.12.2018	19,109	816,623	23.40
Authorised capital as at 31.12.2019	19,109	816,623	23.40
Conditional capital as at 31.12.2015	34,035	1,173,634	29.00
Conditional capital as at 31.12.2016	941	32,446	29.00
Conditional capital as at 31.12.2017	941	32,446	29.00
Conditional capital as at 31.12.2018	759	32,446	23.40
Conditional capital as at 31.12.2019	759	32,446	23.40

In 2019, a distribution of CHF 10.00 per share was paid out from capital contribution reserves. Further information on changes in capital can be found in Note 14 to the consolidated annual financial statements (see page 83).

Board of Directors

Members of the Board of Directors

The Board of Directors of Mobimo Holding AG consists of seven members as at the reporting date. All members are independent, non-executive members of the Board of Directors, except for Dr. Christoph Caviezel, member of the Board of Directors since 2 April 2019. He was previously a member of the Executive Board of Mobimo Holding in his capacity as CEO (from 2008 to 2019). None of the members of the Board of Directors have any significant business relationships with Mobimo Holding AG or with a Mobimo Group company.

Peter Schaub (CH)
Chairman

Attorney at law
Born in: 1960

Peter Schaub has been a member of the Board of Directors of Mobimo Holding AG since 8 May 2008 and Chairman since 2 April 2019. He is a member of the Real Estate Committee.

Professional background

Since 1994	Partner in the tax and law firm weber schaub & partner, Zurich
1990 – 1993	Tax commissioner, canton of Zurich
1987 – 1988	Legal advisor in law firm Schellenberg Wittmer, Zurich

Education

1990	Licence to practise law in the canton of Zurich
1987	Law degree (lic. iur.), University of Zurich

Other activities and interests

› Chairman of the Board of Directors of CPH Chemie + Papier Holding AG, Perlen
› Chairman of the Board of Directors of Scobag Privatbank AG, Basel
› Chairman of the Foundation Board of the Swiss Foundation for the Deafblind (Schweizerische Stiftung für Taubblinde), Langnau am Albis
› Chairman of the Board of Directors of Zindel Immo Holding AG, Chur
› Vice Chairman of the Board of Directors of UBV Holding AG, Uetikon am See
› Vice Chairman of the Board of Directors of Uetikon Industrieholding AG, Uetikon am See
› Member of the Foundation Board of the staff pension fund of UBV Uetikon Betriebs- und Verwaltungs AG (UBV-Personalfürsorgefonds)
› Member of the Board of Directors of Ruegg Cheminee Holding AG, Hinwil

Key competences

› Tax and law
› Management of boards of directors
› Business management

Daniel Crausaz (CH)
Vice chairman

Engineer EPFL, MBA
Born in: 1957

Daniel Crausaz has been a member of the Board of Directors of Mobimo Holding AG since 17 December 2009. He is Chairman of the Audit and Risk Committee.

Professional background

Since 2003	Independent consultant and since 2016 owner of daniel crausaz conseils Sàrl, Lausanne
1997 – 2003	Managing Director, Banque Cantonale Vaudoise (BCV), Lausanne
1990 – 1997	BCV, Lausanne
1985 – 1989	Engineer, Bonnard & Gardel Ingénieurs Conseils Lausanne SA, Lausanne
1983 – 1985	Engineer, Felix Constructions SA, Bussigny

Education

1990	MBA, Faculty of Business and Economics at the University of Lausanne (HEC)
1982	Engineer, Swiss Federal Institute of Technology Lausanne (EPFL)

Other activities and interests

› Chairman of the Board of Directors of CIEL Electricité SA, Lausanne
› Chairman of the Fondation de prévoyance de la CIEL, Lausanne
› Member of the Board of Directors of Zimal SA, Sion
› Member of the Board of Directors of Vertiqal AG, Zug
› Member of the Board of Directors of BG Bonnard & Gardel Holding SA, Lausanne
› Delegate of the Board of Directors of Agrifert SA, Lausanne

Key competences

› Risk management
› Finance
› Asset management

Dr. Christoph Caviezel (CH)

Dr. iur., attorney at law
Born in: 1957

Christoph Caviezel has been a member of the Board of Directors of Mobimo Holding AG since 2 April 2019. He is a member of the Real Estate Committee. From 1 October 2008 to 2 April 2019 Christoph Caviezel was CEO of Mobimo Holding AG.

Professional background

2008 – 2019	CEO, Mobimo Holding AG, Küsnacht
2001 – 2008	CEO, Intershop Holding AG, Zurich (member of the Board of Directors from 2003)
1995 – 2001	Intershop Holding AG, Zurich (member of the Executive Board from 1999)
1986 – 1995	Head of Real Estate, SBB, Lucerne
1980 – 1986	Attorney at law

Education

1988	Doctor of law (Dr. iur.), University of Fribourg
1983	Licence to practise law in the canton of Grisons

Other activities and interests

› Member of the Bank Council of Graubündner Kantonalbank, Chur
› Member of the Board of Directors of Cham Group AG, Cham
› Member of the Board of Directors of BZ Bank AG, Freienbach
› Member of the Board of Directors of Kuoni Mueller und Partner Holding AG, Zurich

Key competences

› Real estate and site development
› Capital market
› Business management

Brian Fischer (CH)

Attorney at law, Swiss-certified tax expert
Born in: 1971

Brian Fischer has been a member of the Board of Directors of Mobimo Holding AG in an independent capacity since 8 May 2008. He is Chairman of the Real Estate Committee.

Professional background

Since 2001	Bank Vontobel AG, Zurich (Head of Platforms and Services since 2020, Head of External Asset Managers division from 2009 to 2019)
1997 – 2000	PricewaterhouseCoopers AG, Zurich

Education

2000	Swiss-certified tax expert, Zurich
1996	Licence to practise law in the canton of Berne

Other activities and interests

› Member of the Board of Directors of companies within the Vontobel Group

Key competences

› Financing
› Valuation
› Capital market

Bernard Guillelmon (CH/F)

Engineer EPFL, Masters in Energy, MBA
Born in: 1966

Bernard Guillelmon has been a member of the Board of Directors of Mobimo Holding AG since 17 December 2009. He is Chairman of the Nomination and Compensation Committee.

Professional background

Since 2008	CEO, BLS AG, Berne
2001 – 2008	Key positions (Energy, Infrastructure, Business Management) at SBB, Berne
1999 – 2000	Independent consultant, Les Giettes
1990 – 1998	Engineer, Department Head, BKW AG, Berne

Education

1999	MBA, INSEAD, Fontainebleau
1992	Masters in Energy, Lausanne
1990	Engineer, Swiss Federal Institute of Technology Lausanne (EPFL)

Other activities and interests

› Chairman of the Board of Directors of BLS Cargo AG, Berne
› Vice Chairman of the Board of Directors of JJM Holding, Lausanne
› Member of the Executive Board and Committee of the Swiss Association of Public Transport (Verband öffentlicher Verkehr, VöV), Berne
› Member of the Board of Directors of Ralpin AG, Olten
› Member of the Supervisory Board of Ermewa Holding, Paris
› Vice Chairman of the Strategy Council of Alliance SwissPass, ch-integral and ÖPVG AG, Berne

Key competences

› Employee development
› Remuneration
› Leadership

Wilhelm Hansen (CH) (until 31 March 2020)

lic. rer. pol., management consultant
Born in: 1953

Wilhelm Hansen has been a member of the Board of Directors of Mobimo Holding AG since 8 May 2008. He is a member of the Audit and Risk Committee and of the Nomination and Compensation Committee.

Professional background

Since 2002	Independent management consultant for organisational and strategy development and corporate governance, Basel
1995 – 2002	Co-owner of private bank Baumann & Cie., Basel
1982 – 1994	Head of Securities and Group Life Insurance, Baloise Versicherungen, Basel
1977 – 1982	Investment advisor, SBG, Basel

Education

1977	Political Sciences degree (lic. rer. pol.), University of St. Gallen (HSG)/University of Basel

Other activities and interests

- Vice Chairman of the Board of Directors of Scobag Privatbank AG, Basel (until October 2019)
- Member of the Board of Directors of Psychiatrie Baselland, Liestal (until January 2020)
- Member of the Investment Committee of the Transparenta multi-employer plan, Aesch (until January 2020)

Key competences

- Strategy and organisational development
- Corporate governance
- Staff pension schemes

Bernadette Koch (CH) (since 2 April 2019))

Swiss-certified public accountant
Born in: 1968

Bernadette Koch has been a member of the Board of Directors of Mobimo Holding AG since 2 April 2019. She is a member of the Audit and Risk Committee and of the Nomination and Compensation Committee.

Professional background

1993 – 2018	Activity as auditor (from 2008 as partner), member of the Management Committee of Assurance Switzerland and Head of the Public Sector market area, Ernst & Young AG, Berne/Zurich

Education

1997	Swiss-certified public accountant
1993	Business administration degree (Business Economist HWV)

Other activities and interests

- Member of the Board of Directors of Swiss Post AG, Berne
- Member of the Board of Directors of PostFinance AG, Berne
- Member of the Board of Directors of Geberit AG, Rapperswil-Jona
- Member of the Board of Directors of Energie Oberkirch AG, Oberkirch
- Member of the Professional Ethics Committee of EXPERTsuisse, Zurich

Key competences

- Audit
- Financial reporting
- Talent management

Members departing in the year under review

Georges Theiler turned 70 in 2019 and therefore did not stand for re-election as Chairman of the Board of Directors at the Annual General Meeting held on 2 April 2019. Peter Barandun stepped down from the Board of Directors at the same time to focus on other professional priorities.

Georges Theiler (CH)
Chairman (until 2 April 2019)

Certified operating engineer ETH, entrepreneur
Born in: 1949

Georges Theiler was a member of the Board of Directors from the year 2000 and Chairman of the Board of Directors of Mobimo Holding AG from 11 September 2013 to 2 April 2019.

Professional background

Since 1997	Owner of GT-Consulting (specialising in consulting and directorship mandates), Lucerne
1978 – 1997	Chairman of the Executive Board and member of the Board of Directors of construction company and general contractor Theiler und Kalbermatter T+K Bau AG (building construction, tunnel construction, general contracting, real estate development and real estate management), Lucerne

Education

1976	Certified operating engineer, ETH Zurich

Other activities and interests

- Chairman of the Board of Directors of Auto AG Holding, Rothenburg
- Member of the Board of Directors of Riva AG, Buochs
- Member of the Board of Directors of Wascosa Holding AG, Lucerne
- 1995 – 2011 Member of the National Council
- 2011 – 2015 Member of the Swiss Council of States

Peter Barandun (CH)
(until 2 April 2019)

Executive MBA, University of St. Gallen (HSG)
Born in: 1964

Peter Barandun was a member of the Board of Directors of Mobimo Holding AG from 26 March 2015 to 2 April 2019.

Professional background

Since 2002	CEO and Chairman of the Board of Directors, Electrolux AG, Zurich
1996 – 2002	Head of the Electrolux and Zanussi divisions, Electrolux AG, Zurich
1990 – 1995	Head of Sales, Bauknecht AG, Lenzburg
1985 – 1990	Deputy Head of Sales, Grossenbacher, St. Gallen

Education

2008	Executive MBA, University of St. Gallen (HSG)

Other activities and interests

- Chairman of the Board of Directors of Peter Barandun AG, Einsiedeln
- Chairman of the Board of Directors of Electrolux Holding AG, Zurich
- Member of the Board of Directors and Vice Chairman of the Nomination and Compensation Committee of Arbonia AG, Arbon
- Vice Chairman of Swiss-Ski, Muri bei Bern
- Vice Chairman of the Swiss Association for Household and Business Appliances (FEA), Zurich

Upcoming changes on the Board of Directors

The Board of Directors will nominate Dr. Martha Scheiber (CH, 1965) to the company's shareholders for election at the Annual General Meeting on 31 March 2020. Martha Scheiber is set to succeed Wilhelm Hansen on the Board of Directors. As already announced, Wilhelm Hansen will not stand for re-election after eleven years with Mobimo. Until 2019, Martha Scheiber was Head of Asset Management and a member of the Executive Board of Pax Holding. In this role, she was also responsible for the insurance company's real estate portfolio. As Chair of the Board of Directors and CEO of Pax Verwaltungen AG she headed up Pax's real estate services and as Chair of the Board of Directors of Pax Anlage AG, which was listed until 2017, she supported the company's real estate development on a strategic level. Before joining Pax, Martha Scheiber worked for major Swiss banks in various management positions, most recently advising institutional clients. Since 2014, she has been a member of the Board of Directors of Luzerner Kantonalbank. Martha Scheiber complements the Board of Directors with the key competencies of asset management, property management and development. By nominating Martha Scheiber for election, the Board of Directors is also taking another step towards a more diverse membership. If Dr. Scheiber is elected, it is intended that she will assume Wilhelm Hansen's position on the Audit and Risk Committee, while Brian Fischer will become a member of the Nomination and Compensation Committee. Otherwise, the composition of the committees (see below) will remain the same, subject to the election of the individual members of the Board of Directors and of the Nomination and Compensation Committee by the Annual General Meeting.

Honorary Chairmen

Dr. Alfred Meili is the Honorary Chairman of Mobimo Holding AG. He was the driving force behind the creation of the Mobimo Group and was Chairman of the Board of Directors until 2008. Laurent Rivier is the Honorary Chairman of LO Holding Lausanne-Ouchy SA, having previously served as Chairman of the Board of Directors from 2000 to 2009.

Dr. Alfred Meili and Laurent Rivier were appointed Honorary Chairmen in recognition of their services to their respective companies. This office confers neither the right to sit on the Board of Directors, nor any other rights and obligations of a member of the Board of Directors, nor any entitlement to directors' compensation or other compensation.

Other activities and interests

Mobimo Holding AG has concluded special agreements with all members of the Board of Directors and Executive Board in order to avoid conflicts of interest. In these agreements, the members of the Board of Directors and Executive Board undertake:

› not to take up any office with other real estate companies without the approval of the Board of Directors of Mobimo Holding AG,
› to keep the company informed about any offers to acquire land and property and grant the company a priority claim, provided such offers are not confidential,
› not to accept any additional compensation such as arrangement commissions,
› not to acquire any shares of real estate companies, except for shares traded on the stock exchange and acquisitions of real estate through share purchases.

Besides those listed above, the members of the Board of Directors of Mobimo Holding AG do not occupy any further positions in the management and supervisory bodies of major Swiss and foreign entities or in institutions and foundations under public or private law, and also do not carry out any further long-term management or advisory functions for key Swiss or foreign interest groups. They also do not perform any other official functions or hold any other political offices.

Number of authorised activities in accordance with Article 12 paragraph 1 item 1 OaEC

The members of the Board of Directors may exercise the following additional activities in senior executive or administrative bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and are neither controlled by the company nor in control of the company:

› up to three mandates for companies (in Switzerland or abroad) that meet the conditions for a public limited company in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations, and
› up to 15 mandates for companies that are not considered as public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations.

There are no restrictions on mandates for legal entities that are not required to be entered in the Commercial Register or a corresponding foreign register, or on honorary directorships at organisations recognised for tax purposes as not-for-profit.

No member of the Board of Directors exceeds the number of authorised external mandates.

Election and term of office

The Board of Directors of Mobimo Holding AG consists of at least three members and is elected for a period of one year at the General Meeting. The term of office of the members ends at the end of the next Annual General Meeting. The members of the Board of Directors may be immediately re-elected upon expiry of their term of office. The General Meeting elects the Chairman of the Board of Directors. Re-election is permitted. The term of office of the Chairman ends at the end of the next Annual General Meeting. If the office of Chairman becomes vacant, the Board of Directors appoints a Chairman for the remaining term of office.

As required by the organisation regulations, the members of the Board of Directors retire, at the latest, at the Annual General Meeting held in the year in which they turn 70. Given the long-term focus of the industry, particularly in the case of development projects, it is valuable for the company if members serve on the Board of Directors for several years.

Internal organisation

In 2019, the Annual General Meeting elected Peter Schaub as Chairman of the Board of Directors. The Board of Directors appointed Daniel Crausaz as Vice Chairman of the Board of Directors.

The Board of Directors is quorate if the majority of its members are present and passes resolutions by a majority of the votes cast. Both face-to-face meetings and telephone conferences are recognised.

In general, three meetings of the Board of Directors are held in the first quarter of each year, two in the third quarter and three in the fourth quarter. These meetings usually last half a day. The CEO, CFO and other members of the Executive Board occasionally take part in the meetings of the Board of Directors, although the Board of Directors always meets first without these persons present. The Chairman decides whether employees or other external advisors are to be included in the meeting in order to deal with specific issues.

In addition to a two-day strategy meeting and an innovation day, four meetings and four telephone conferences took place during the reporting period. With one exception, the Board of Directors was present in full at every meeting.

The Chairman of the Board of Directors has additional responsibilities as required by law and the organisation regulations. This includes convening, organising and chairing the Annual General Meeting and Board meetings, preparing and monitoring the resolutions of the Board of Directors, coordinating and informing within the Board of Directors, and representative duties.

In particular, the Chairman of the Board is the direct superior of the Chief Executive Officer. This entails duties including regular meetings and frequent telephone contacts.

In accordance with the Articles of Association and the organisation regulations, the Board of Directors has three committees: the Real Estate Committee (IC), the Audit and Risk Committee (AC) and the Nomination and Compensation Committee (NCC). The committees of the Board of Directors comprise one chair and at least two further members. The members of the Audit and Risk Committee and the Real Estate Committee are nominated by the Board of Directors, while the members of the Nomination and Compensation Committee are nominated by the Annual General Meeting.

The committees are currently structured as follows:

Board of Directors
Chairman: Peter Schaub Vice Chairman: Daniel Crausaz Christoph Caviezel, Brian Fischer, Bernard Guillelmon, Wilhelm Hansen, Bernadette Koch

Real Estate Committee (IC)	**Audit and Risk Committee (AC)**	**Nomination and Compensation Committee (NCC)**
Brian Fischer (Chairman) Christoph Caviezel Peter Schaub	Daniel Crausaz (Chairman) Wilhelm Hansen* Bernadette Koch	Bernard Guillelmon (Chairman) Wilhelm Hansen* Bernadette Koch

* In the event of the election of Dr. Martha Scheiber, it is intended that she will take over Wilhelm Hansen's seat in the Audit and Risk Committee and Brian Fischer will become a member of the Nomination and Compensation Committee.

Other members of the Board of Directors, the CEO and/or other members of the Executive Board, and other individuals may participate in meetings alongside the elected committee members upon invitation by the committee Chair.

The committees generally update the Board of Directors on their activities during the regular meetings of the Board of Directors. A report of each committee meeting is produced, and a copy is made available to all members of the Board of Directors.

Real Estate Committee

The Real Estate Committee supports the Board of Directors in its ultimate supervisory and management role by carrying out the necessary preparatory work, audits and clarification in the following five areas:

› purchase and divestment,
› development and trading properties,
› investment portfolio (management and marketing),
› evaluation of the external appraiser's annual real estate valuations,
› sustainability strategy.

With the Real Estate Committee, the Board of Directors ensures that the strategic investment and divestment targets it sets each year are implemented successfully. The Real Estate Committee aims to provide the Board of Directors with real estate expertise that is as comprehensive as possible.

The Real Estate Committee fulfils five particular functions:

› deciding on property purchases and divestments for property transactions between CHF 10 million and CHF 30 million,
› submitting requests to the Board of Directors for property transactions which have a volume of over CHF 30 million and therefore lie within its competence,

- supervising investment and development business as well as the property appraisals to be carried out periodically by external experts,
- monitoring the portfolio strategy and portfolio management,
- reviewing the sustainability strategy and its implementation.

The competences of the Board of Directors, Real Estate Committee and Executive Board with respect to the purchase and sale of properties are summarised in the competence regulation on page 34.

The Real Estate Committee meets when convened by the Chair, as often as business requires, but generally every six weeks. The Executive Board normally participates in these meetings upon invitation, and its members inform the members of the Real Estate Committee about their respective business areas. Twice a year, the Real Estate Committee discusses with the Executive Board the information prepared by the Board on the development, trading properties and investment portfolio, assesses whether the strategy is being complied with, and reviews progress in the relevant area.

A total of eight meetings were held in 2019. The meetings lasted an average of three hours. There were also numerous inspections throughout Switzerland.

Audit and Risk Committee

The Audit and Risk Committee supports the Board of Directors in its ultimate supervisory and management role by carrying out the necessary preparatory work, audits and clarification in the following five areas:

- budgeting, financial management, preparation of financial statements, external audit and valuation of properties by the independent valuation expert,
- risk management and internal control system (ICS), including adherence to legislation, directives and internal guidelines (compliance),
- financing/liquidity management,
- taxes,
- acquisition of companies.

The Audit and Risk Committee supports the Board of Directors by preparing and monitoring its decisions in these areas, and by assessing the effectiveness of the external audit and cooperation with the external property appraiser.

The Audit Committee fulfils the following particular functions:

- assessing financial and accounting structures and processes,
- assessing the annual audit plan and the scope of the audit, and the performance, remuneration and independence of the auditors (information on the auditor can be found on page 41 of this report),
- assessing the design and operational implementation of risk management, including the internal control system (ICS),
- assessing and reviewing liquidity management and the financing strategy,
- assessing and reviewing the tax strategy,
- assessing due diligence documentation and transaction agreements in the acquisition of companies that fall within the remit of the Board of Directors.

The Audit and Risk Committee meets when convened by the Chair, as often as business requires, but at least for two ordinary meetings each year in connection with the semi-annual results and the annual results. The CEO and CFO generally attend the meetings of the Audit and Risk Committee in an advisory capacity upon invitation by the Chair.

A total of eight meetings and one workshop were held in 2019. The meetings lasted an average of three hours.

Nomination and Compensation Committee

The Nomination and Compensation Committee supports the Board of Directors in its ultimate supervisory and management role in the areas of remuneration, HR policy (including succession planning), and training and development for the Board of Directors and Executive Board. With the Nomination and Compensation Committee, the Board of Directors aims to:

- ensure the optimal composition of the Board of Directors and Executive Board,
- ensure the remuneration of the Board of Directors and Executive Board is in line with the market and appropriate,
- ensure the members of the Board of Directors and Executive Board receive useful training and development,
- comply with the requirements of the Ordinance Against Excessive Compensation in Listed Companies.

The Nomination and Compensation Committee is a preparatory committee for the Board of Directors and has no decision-making powers.

The Nomination and Compensation Committee fulfils the following particular functions:

- reviewing the compatibility of the HR policy and strategic development of the Mobimo Group, including compliance with the Ordinance Against Excessive Compensation in Listed Companies,
- appraising the CEO, in cooperation with the Chairman of the Board of Directors,
- submitting a proposal to the Board of Directors for the variable compensation paid to members of the Executive Board,
- preparing/reviewing the annual compensation report,
- planning replacement/succession in the Board of Directors and Executive Board in good time, and drafting proposals for submission to the Board of Directors,
- submitting proposals to the Board of Directors for the awarding of mandates by the company or its subsidiaries to members of the Board of Directors or the Executive Board, other employees of the Group companies and to related legal entities and natural persons,
- reviewing the recommendation on the annual wage policy and social security expenses drawn up by the Executive Board and submitting a recommendation to the Board of Directors.

The NCC meets when convened by the Chair, as often as business requires, but at least for two ordinary meetings each year. These meetings usually take place in the first and last quarters of the year.

A total of eight meetings and six telephone conferences were held in 2019. The meetings lasted an average of two hours.

Competence regulation

The Board of Directors is responsible for managing the company and the Mobimo Group and for supervising the Executive Board. The Board of Directors has the right of initiative, supervision and final decision-making in respect of the Group companies, to the extent permitted by law. The Board of Directors represents the company and the Mobimo Group externally and makes decisions on all matters that do not fall within the remit of another body within the company by law or pursuant to the Articles of Association or other regulations.

In addition to its non-transferable duties in accordance with Article 716a of the Swiss Code of Obligations, the Board of Directors has the following particular duties and competences within the scope of managing the Mobimo Group:

- establishing the strategy/Group policy and the principles of its implementation and, following on from this, establishing the business policy of the Group companies,
- making fundamental decisions with regard to appointing and dismissing members of the Board of Directors and the Executive Board of companies in the Mobimo Group, the auditors of Group companies, individuals authorised to represent the company, and the external property appraiser,
- defining the accounting principles, including the consolidation of all financial statements,
- defining and monitoring the financial and investment budgets of the Mobimo Group and the Group companies,
- passing resolutions on founding, acquiring and disposing of Group and affiliated companies,
- defining the corporate identity,
- approving participation and option plans,
- defining and implementing the sustainability strategy,
- overseeing the measures that need to be undertaken with regard to stock exchange listings.

In accordance with the delegation norm of Article 20 of the Articles of Association (see Investors > Corporate Governance > Articles of Association at www. mobimo.ch) and to the extent permitted by law and the Articles of Association, the Board of Directors has transferred the entire operational management of the company and the Group companies to the Executive Board under the direction of the CEO for the purposes of joint management. The Executive Board implements the Group and business policies in line with the guidelines set by the Board of Directors.

The Executive Board has the following main duties and competences:

- assuming operational management of the company, the Mobimo Group and the Group companies in accordance with corporate policy and strategy, medium-term planning and annual budgets, and executing the resolutions of the Board of Directors,
- preparing the annual budget,
- defining and making decisions on all regulations and specifications necessary for management of the business, provided these do not fall within the remit of the Board of Directors.

The competences of the Board of Directors, Real Estate Committee and Executive Board for the purchase and sale of properties by the company or a Group company are defined as follows at Mobimo Holding AG:

- The Board of Directors has delegated operational decisions on property transactions up to an investment volume of CHF 10 million to the Executive Board.
- The Real Estate Committee is responsible for decisions on real estate transactions between CHF 10 million and CHF 30 million.
- The Board of Directors is responsible for real estate transactions with a total value of over CHF 30 million.

Information and control instruments with regard to the Executive Board

The Chairman of the Board of Directors holds regular coordination and information meetings with the CEO. Further details on cooperation with the committees can be found in the Internal Organisation section on page 32 of this Corporate Governance report.

The Board of Directors and its committees have the following information and control instruments:

- The Board of Directors receives a monthly report containing the current income statement with analysis of deviations from the budget, the budget, the forecast and selected key figures from the operating areas.
- In addition, the Board of Directors receives quarterly commentaries on individual projects and the segment statement without balance sheet figures.
- The Audit and Risk Committee is informed about the current position and effectiveness of the internal control system and of risk management and risk assessment on an annual basis. The Audit and Risk Committee then updates the Board of Directors.
- In preparation for the budgeting process, the annually revised multi-year plan is presented and discussed in the Audit and Risk Committee and in the Board of Directors.
- In addition, the individual operating areas present their progress report several times a year to the Real Estate Committee or the Board of Directors.

An institutionalised internal audit is not appropriate due to the size of the company. Internal control and risk management are performed by Finance. The implementation of regulatory and accounting changes is worked out at an early stage in cooperation with the statutory auditors.

Executive Board

Members of the Executive Board

The Executive Board comprises the CEO, the CFO, the heads of the Development, Realisation and Property Management business areas for German-speaking Switzerland and the Head of Mobimo Suisse romande. The Head of Mobimo Suisse romande is responsible for operational development, realisation and property management activities in French-speaking Switzerland. CEO Daniel Ducrey directly manages the Portfolio and Transactions business area.

Executive Board as at 31 December 2019

CEO, Daniel Ducrey

CFO	Head of Acquisition and Development	Head of Realisation	Head of Property Management	Head of Portfolio and Transactions	Head of Mobimo Suisse romande
Manuel Itten	Marco Tondel	Vinzenz Manser	Christoph Egli	Daniel Ducrey	Marc Pointet

Daniel Ducrey (CH)
CEO (since 3 April 2019)

Architect FH
Born in: 1964

Daniel Ducrey has been CEO of the Mobimo Group since 3 April 2019. In addition to serving as CEO, he also directly manages the Portfolio and Transactions business area and the Corporate Center.

Chairman of Boards of Directors within the Mobimo Group
Mobimo AG, Mobimo Management AG, O4Real SA, Petit Mont-Riond SA, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, Promisa SA, CC Management SA, Mobimo Zürich Nord AG, Immobiliengesellschaft Fadmatt AG, BSS&M Real Estate AG, Indigo Suisse SA, Flonplex SA

Member of Boards of Directors within the Mobimo Group
Mobimo FM Service AG

Professional background

Since 2019	CEO, Mobimo, Küsnacht
2015 – 2018	CEO, Steiner Group, Zurich
2012 – 2015	CEO, Steiner India Ltd., Mumbai
2009 – 2012	Business Unit Head, Steiner Group, Western Switzerland region, Lausanne (member of the Executive Board from 2009)
1999 – 2009	Losinger Construction AG, Berne (member of the Executive Board from 2008)
1992 – 1999	Architect and construction manager, SAPCO AG, Givisiez
1987 – 1988	Draughtsman, Grobéty, Andrey, Sottas architectural practice Fribourg
1986 – 1987	Draughtsman, Claude Bielmann architectural practice, Marly

Education

2004	Postgraduate studies in business administration and management, Bern University of Applied Sciences
1992	Architecture degree (Cert. Architect), Bern University of Applied Sciences, Biel/Bienne
1983	Training as a structural draughtsman, Fribourg

Manuel Itten (CH)
CFO (until summer 2020)

Business Administration FH
Born in: 1965

Manuel Itten joined Mobimo on 12 December 2004, serving as Head of Controlling until February 2009 and CFO since 1 March 2009.

Chairman of Boards of Directors within the Mobimo Group
Mobimo FM Service AG, Kumag AG

Member of Boards of Directors within the Mobimo Group
Mobimo AG, Mobimo Management AG, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, O4Real SA, Promisa SA, CC Management SA, Mobimo Zürich Nord AG, Petit Mond-Riond SA, Immobiliengesellschaft Fadmatt AG, BSS&M Real Estate AG, Indigo Suisse SA, Flonplex SA

Professional background

Since 2009	CFO, Mobimo, Küsnacht
2004 – 2009	Head of Controlling, Mobimo, Küsnacht
2000 – 2004	Head of Controlling, Livit AG, Zurich
1999 – 2000	Auditor and consultant, Zurich
1988 – 1996	Various management positions in sales promotion (marketing)

Education

1999	Business Administration degree (Business Economist HWV), FH Winterthur
1988	Completion of basic commercial and design studies

Christoph Egli (CH)
Head of Property Management

Swiss-certified real estate trustee
Born in: 1973

Christoph Egli joined Mobimo on 1 November 2007 and was appointed Head of Property Management on 1 August 2010. Since 1 August 2019 he has been a member of the Executive Board with responsibility for managing the company's real estate portfolio, site management and the activities of Mobimo FM Service AG.

Professional background

Since 2019	Head of Property Management (as a member of the Executive Board), Mobimo, Küsnacht
2010 – 2019	Head of Property Management, Mobimo, Küsnacht
2008 – 2010	Head of Property Management team, Mobimo, Küsnacht
2007 – 2008	Real estate management, Mobimo, Küsnacht
2005 – 2007	Property manager with management role, Homeowners Association, Winterthur and surrounding area
1997 – 2005	Property manager, various positions, Winterthur Versicherung/Wincasa, Winterthur and Zurich
1990 – 1997	Notary's secretary, notary services, land registry and bankruptcy office, Andelfingen

Education

2018	Swiss-certified organisational management expert
2017	Swiss-certified business organisation specialist
2010	Swiss-certified real estate trustee
2007	Swiss-certified real estate agent
2000	Swiss-certified real estate manager
1993	Commercial apprenticeship

Vinzenz Manser (CH)
Head of Realisation

Certified architect HTL; MAS in Real Estate Management HWZ
Born in: 1967

Vinzenz Manser joined Mobimo on 1 March 2002 and has been Head of Realisation since 1 June 2008. He has been a member of the Executive Board since 1 January 2018.

Professional background

Since 2018	Head of Realisation (as a member of the Executive Board), Mobimo, Küsnacht
2008 – 2017	Head of Project Management, Mobimo, Küsnacht
2002 – 2008	Project Manager, Mobimo, Küsnacht
1999 – 2002	Overall Project Head, Mobag AG, Zurich
1994 – 1999	Construction manager, project lead, overall project head for various major construction projects, Caretta und Weidmann AG, Zurich
1993 – 1994	Planning manager and construction manager, Conarenco AG, Zurich
1990 – 1992	Construction manager and construction cost controller, Emch und Berger Zürich AG, Zurich

Education

2008	Master of Advanced Studies in Real Estate Management HWZ, Zurich
1997	Certified architect HTL, Zurich
1990	Training as an underground engineering draughtsman, St. Gallen
1987	Training as a bricklayer, St. Gallen

Marc Pointet (CH)
Head of Mobimo Suisse romande

Certified architect ETH, Executive MBA HSG
Born in: 1974

Marc Pointet joined Mobimo on 1 November 2006 and has been Head of Mobimo Suisse romande since 1 March 2013. He has been a member of the Executive Board since 1 April 2015.

Professional background

Since 2015	Head of Mobimo Suisse romande (as a member of the Executive Board), Mobimo, Küsnacht
2013 – 2015	Head of Suisse romande, Mobimo, Küsnacht
2006 – 2013	Head of Project Management team, Mobimo, Küsnacht
2004 – 2006	Branch Head, Karl Steiner AG, St. Moritz
2003 – 2004	Assistant to the CEO, Karl Steiner AG, Zurich
2002 – 2003	Project team member, Credit Suisse, Zurich

Education

2012	Executive MBA, University of St. Gallen (HSG)
2001	Certified architect, Swiss Federal Institute of Technology

Marco Tondel (CH)
Head of Development

Certified architect ETH, Executive MBA ZHAW
Born in: 1974

Marco Tondel joined Mobimo on 1 January 2012 and has worked as Head of Development for Third Parties since 1 July 2014. He has been a member of the Executive Board since 1 January 2018 and heads up Mobimo's development activities.

Member of Boards of Directors within the Mobimo Group

BSS&M Real Estate AG, Mobimo Zürich Nord AG, Kumag AG

Professional background

Since 2018	Head of Development (as a member of the Executive Board), Mobimo, Küsnacht
2014 – 2017	Head of Development for Third Parties, Mobimo, Küsnacht
2012 – 2014	Project Manager, Development for Third Parties, Mobimo, Küsnacht
2005 – 2011	Vice Director for Project Development for the Allreal portfolio and for third parties, Zurich
2002 – 2005	Project Manager, Project Development and Design, BSS Architekten, Schwyz/Zurich
2000 – 2002	Project Manager, Design and Implementation, Alioth Langlotz Stalder Buol architectural practice, Zurich

Education

2008	Degree in Real Estate Investment Banking, European Business School, Wiesbaden
2005	Executive MBA, Zurich University of Applied Sciences, Winterthur
2000	Certified architect, Swiss Federal Institute of Technology

Members departing from the Executive Board in the year under review

Dr. Christoph Caviezel (CH)
CEO (until 2 April 2019)

Dr. iur., attorney at law
Born in: 1957

Christoph Caviezel was CEO of Mobimo Holding AG from 1 October 2008 to 2 April 2019. He has been a member of the Board of Directors since 2 April 2019.

Professional background

2008 – 2019	CEO, Mobimo, Küsnacht
2001 – 2008	CEO, Intershop Holding AG, Zurich (member of the Board of Directors from 2003)
1995 – 2001	Intershop Holding AG, Zurich (member of the Executive Board from 1999)
1986 – 1995	Head of Real Estate, SBB, Lucerne
1980 – 1986	Attorney at law

Education

1988	Doctor of law (Dr. iur.), University of Fribourg
1983	Licence to practise law in the canton of Grisons

Other activities and interests

- Member of the Bank Council of Graubündner Kantonalbank, Chur
- Member of the Board of Directors of Cham Group AG, Cham
- Member of the Board of Directors of BZ Bank AG, Freienbach
- Member of the Board of Directors of Kuoni Mueller und Partner Holding AG, Zurich

Thomas Stauber (CH)
Head of Real Estate, Deputy CEO (until 31 July 2019)

Certified civil engineer ETH/SIA, postgraduate diploma BWI
Born in: 1964

Thomas Stauber joined Mobimo on 1 November 2011 as a member of the Executive Board and set up the Development for Third Parties business area. From 1 July 2014, he headed up the Real Estate business area. He left the Executive Board on 31 July 2019.

Professional background

2014 – 2019	Head of Real Estate (as a member of the Executive Board), Mobimo, Küsnacht
2011 – 2014	Head of Development for Third Parties, Mobimo, Küsnacht
2004 – 2011	Head of Acquisition and Project Development, Allreal Generalunternehmung AG, Zurich (as a member of the Executive Board)
2002 – 2004	Managing Director, Bauengineering AG, Zurich
2000 – 2002	Head of Project Development, tk3 AG, Basel (as a member of the Executive Board)
1995 – 2000	Head of Technical Planning and Realisation of the Sony Center on Potsdamer Platz, Sony Berlin GmbH, Berlin
1989 – 1994	Project managing civil engineer

Education

1994	Postgraduate studies in industrial management and manufacturing, Swiss Federal Institute of Technology
1989	Cert. civil engineer, Swiss Federal Institute of Technology

Upcoming changes on the Executive Board

CFO Manuel Itten will leave Mobimo in summer 2020 after 15 years with the company to take up a new entrepreneurial challenge. The search for a successor has been initiated.

Other activities and interests

The members of the Executive Board perform no long-term management or advisory functions for key Swiss or foreign interest groups, nor do they perform any official functions or hold any political offices.

In accordance with Article 12 paragraph 1 item 1 OaEC, the members of the Executive Board may exercise the following additional activities in senior executive or administrative bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and are neither controlled by the company nor in control of the company:

› up to one mandate for companies (in Switzerland or abroad) that meet the conditions for a public limited company in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations; and
› up to five mandates for companies that are not considered public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations.

There are no restrictions on mandates for legal entities that are not required to be entered in the Commercial Register or a corresponding foreign register, or on honorary directorships at organisations recognised for tax purposes as not-for-profit. However, the prior approval of the Board of Directors is required for such mandates and appointments. No member of the Executive Board exceeds the authorised number of mandates.

Management agreements

No management agreements have been concluded with third parties. There are service agreements between the Group companies and Mobimo Management AG and between the Group companies and Mobimo FM Service AG.

Remuneration and profit-sharing

All information on the compensation of Mobimo's Board of Directors and Executive Board is provided in the separate compensation report from page 43 of this Annual Report.

Shareholders' rights of participation

In connection with the shareholders' rights of participation, the relevant statutory provisions of Mobimo Holding AG are referred to below. The company's current Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

Restrictions on voting rights and proxies

Only those persons entered in the share register are entitled to exercise their voting rights at General Meetings.

The Board of Directors may refuse to approve the transfer of registered shares, insofar as recognising a transferee as a shareholder may, according to the information available to it, hinder the company from providing proof of Swiss control as stipulated under federal law (in particular the Swiss Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents, ANRA). The Board of Directors did not reject any entries in the share register in the year under review, insofar as shareholders provided the information required for entry (see above).

In accordance with Article 12 of the Articles of Association, any shareholder may be represented at the General Meeting by their legal representative, by a third party who has been granted written authorisation (and who does not need to be a shareholder), or by the independent proxy. The Board of Directors specifies the process and conditions for issuing authorisations and instructions to the independent proxy. Shareholders may issue general instructions both for proposals relating to agenda items set out in the invitation to the General Meeting and for undisclosed or new proposals. In particular, general instructions to vote in favour of the Board of Directors on proposals that are set out in the invitation or have not yet been disclosed are considered to be valid instructions on the exercise of voting rights. Shareholders have the option to receive their documents for the General Meeting or issue proxies and instructions to the independent proxy representative electronically via the Sherpany online shareholder platform.

The independent proxy is elected by the General Meeting. Natural persons and legal entities or partnerships are eligible for election. The term of office of the independent proxy ends at the end of the next Annual General Meeting. Re-election is permitted. If Mobimo does not have an independent proxy or the independent proxy is withdrawn due to a lack of independence or for any other reasons, an independent proxy is appointed by the Board of Directors for the current General Meeting or the next. Authorisations and instructions that have already been issued will remain valid for the new independent proxy, unless other authorisations and instructions have been explicitly issued by shareholders.

Quorum prescribed by the Articles of Association

There is no quorum prescribed by the Articles of Association that goes beyond the statutory provisions on passing resolutions (Articles 703 and 704 of the Swiss Code of Obligations).

Convocation of General Meetings

The convocation of General Meetings, the form of convocation and the right of shareholders to convene a General Meeting are governed by Articles 9 and 10 of the Articles of Association.

The Annual General Meeting is convened by the Board of Directors or, if necessary, by the external auditor and is held once a year within six months of the end of the financial year. The Board of Directors may convene Extraordinary General Meetings at any time. Extraordinary General Meetings are to be convened by the Board of

Directors on the basis of a resolution of the General Meeting, at the request of the auditor or if one or more shareholders who together represent at least 5% of the share capital request one in writing and submit the items for the agenda. The liquidators also have the right to convene a General Meeting. The invitation to the General Meeting is issued at least 20 days prior to the date of the meeting via publication of a single notice in the Swiss Official Gazette of Commerce. Personal invitations are also sent to the shareholders entered in the share register giving the same notice.

The invitation must set out all the items on the agenda together with the proposals of the Board of Directors and any shareholders who have requested that a General Meeting be convened. The annual report and auditor's report must be made available for inspection by shareholders at the company's registered office no later than 20 days prior to the Annual General Meeting. The availability of these reports and the right of shareholders to request that copies be sent to them must be indicated in the notice of convocation of the Annual General Meeting.

Agenda

The shareholders' right to add items to the agenda is governed by Article 9 of the Articles of Association. Shareholders representing at least 0.5% of the share capital may request that an item be included on the agenda. Requests to add items to the agenda must be submitted in writing at least 45 days prior to the General Meeting.

Entries in the share register

Under Article 6 of the Articles of Association, anyone entered in the share register is recognised as a shareholder or usufructuary. Entry is conditional on the provision of evidence that the transfer meets formal requirements and is subject to the approval of the Board of Directors. The Board of Directors has transferred this approval authority to the Audit and Risk Committee. The Audit and Risk Committee has subsequently delegated all decisions that have no impact on stock exchange reporting thresholds or concern members of the Board of Directors or Executive Board to the CFO. The share register can be closed during a period ranging from a maximum of 20 days before the General Meeting up to the day after the General Meeting. Prior to the Annual General Meeting held in Lucerne on 31 March 2020, the share register will actually be closed for entries from 25 March 2020 until 1 April 2020.

Compensation report

The Board of Directors has decided to provide the shareholders with a compensation report each year and hold an annual consultative vote on it irrespective of whether or not there have been significant changes compared with the previous year. The compensation report can be found on pages 43 to 47 of this Annual Report.

Change of control and defensive measures

Obligation to make an offer

In view of the Swiss Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA), the company has chosen not to make use of the opportunity to include an opting-out or opting-up clause in its Articles of Association. The legal provisions under Article 135 of the Swiss Stock Exchange Act (SESTA) governing the obligation to make a purchase offer therefore apply. Anyone who acquires shares directly, indirectly or by mutual agreement with third parties, with the result that their total holding, including the securities they already own, exceeds the threshold of 33% of the voting rights of a listed company, whether exercisable or not, must make an offer to acquire all listed shares of said company.

Change of control clauses

There are no change of control clauses.

Auditor

Duration of mandate and term of office of lead auditor

Since Mobimo Holding AG was established in December 1999, the company's statutory auditor has been KPMG AG, Lucerne. The statutory auditor is appointed annually by the Annual General Meeting. Kurt Stocker has been lead auditor since 2013. His maximum term of office is seven years. The frequency of rotation corresponds to the legal regulation.

In the future, the Board of Directors will seek to keep the tax mandate separate from the audit mandate. A proposal will therefore be made to the Annual General Meeting of 31 March 2020 to assign the audit mandate to Ernst & Young AG.

Audit fee and additional fees

The fees charged by KPMG AG for auditing the 2019 financial year were CHF 0.4 million (prior year: CHF 0.4 million). This figure includes the fees for auditing the consolidated financial statements, the statutory individual financial statements of all subsidiaries and the compensation report, and for reviewing the semi-annual results.

In the year under review, KPMG AG invoiced an additional fee of CHF 0.2 million (prior year: CHF 0.3 million). The additional fees relate to tax consulting and due diligence services.

The fee paid to the independent property valuer Jones Lang LaSalle AG for the 2019 financial year was CHF 0.5 million (prior year: CHF 0.3 million).

Information instruments of the external auditors

The Audit and Risk Committee usually holds two meetings with the auditors every year, at the time of the semi-annual results and the annual results. The Chairman of the Board of Directors, the Chairman of the Audit and Risk Committee and the auditors meet once a year. The Audit and Risk Committee receives the results of the audit in a comprehensive report.

Information policy

Mobimo Holding AG provides its shareholders and the capital market with information that is up to date and transparent.

The publication used by the company to make official announcements is the Swiss Official Gazette of Commerce (SOGC).

Financial reporting takes the form of semi-annual and annual reports. The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the consolidated interim financial statements in accordance with International Accounting Standard 34 (IAS 34) on interim financial reporting. They comply with both Swiss law and the provisions of the listing rules and additional rules for the listing of real estate companies issued by SIX Swiss Exchange.

The company is also subject to the obligation in respect of ad hoc publicity pursuant to Article 53 f. of the listing rules. Ad hoc news is available at www.mobimo.ch under Investors > Ad hoc news, and the form to sign up for the newsletter and ad hoc news can be found at www.mobimo.ch under Investors > Investor Services.

Further information about the company can be found on its website at www.mobimo.ch.

Contact

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Compensation report

Mobimo's compensation plans are designed to ensure that qualified managers can be recruited, motivated and retained by the company.

The compensation report is drawn up in line with the Ordinance Against Excessive Compensation in Listed Companies (OaEC) of 20 November 2013, the SIX Swiss Exchange Directive Corporate Governance (DCG) and the principles of the economiesuisse Swiss Code of Best Practice for Corporate Governance.

This compensation report sets out the mechanisms used to determine the compensation and profit-sharing plans of the Board of Directors and Executive Board, along with the key provisions of the Articles of Association. It also provides a comparison of the compensation approved by the General Meeting and the compensation actually paid.

Compensation of the Board of Directors

Principles

Article 22 of the Articles of Association governs the compensation of the Board of Directors. The Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

The members of the Board of Directors are entitled to compensation commensurate with their activities and to reimbursement of their expenses incurred in performing their duties in the interest of the company. All members of the Board of Directors are compensated on the basis of the same principles. The compensation model for members of the Board of Directors is modular in structure and takes account of the activities actually undertaken and functions occupied by each member of the Board of Directors. Compensation is paid to the members of the Board of Directors plus the employer's share of social security contributions. The Board of Directors does not receive any performance-related compensation based on short-term performance. Rather it is linked to the long-term success of the company by receiving part of its remuneration in blocked shares.

News rules in effect from the 2019 Annual General Meeting

With effect from the 2019 Annual General Meeting, the Board of Directors decided that 25% of compensation will be paid in the form of shares. The value of the shares and thus the number of shares to be allocated is determined based on the share price applicable on the date of allocation. All shares are allocated once a year on 31 March. From the date of allocation, the shares have both voting and dividend rights. At its meeting on 2 April 2019, the Board of Directors set a vesting period of three years (previously voluntary purchase with a five-year vesting period). During the vesting period, the shares must be managed in a safe custody in the share register. The departure of a member of the Board of Directors has no impact on the vesting period, nor on the ownership of the shares.

Approval by the General Meeting

The maximum total amount of compensation payable to the Board of Directors must be approved annually in advance by the General Meeting for the period until the end of the next Annual General Meeting.

If the total amount of compensation payable to the Board of Directors is not approved, the Board of Directors may either submit a new proposal to the same General Meeting or convene an Extraordinary General Meeting at which it will submit a new proposal for the total amount.

Compensation of the Board of Directors, effective from AGM 2019

Member of the Board: TCHF 70 (until 2019 AGM: TCHF 70)		
Chairman of the Board: + TCHF 130 (until 2019 AGM: + TCHF 200)		
Real Estate Committee	**Audit and Risk Committee**	**Nomination and Compensation Committee**
Member: + TCHF 55 (until 2019 AGM: + TCHF 70)	Member: + TCHF 35 (until 2019 AGM: + TCHF 50)	Member: + TCHF 15 (until 2019 AGM: + TCHF 20)
Chairman: + TCHF 20 (until 2019 AGM: + TCHF 30)	Chairman: + TCHF 20 (until 2019 AGM: + TCHF 30)	Chairman: + TCHF 20 (until 2019 AGM: + TCHF 30)

Modular fixed compensation of the Board of Directors
The compensation of members of the Board of Directors consists of various modules depending on the relevant member's activities. It comprises a fixed basic compensation amount, plus fixed supplements for additional activities carried out and functions occupied. The basic compensation is CHF 70,000 per year for each member of the Board of Directors. With effect from the 2019 Annual General Meeting, the Board of Directors significantly reduced the fixed surcharges for further activities. With this cost-cutting measure, the Board of Directors hopes to lay down a marker and make allowance for the efficiency increases and process optimisations achieved. The following amounts have been paid since the 2019 Annual General Meeting:

For activities exercised on a Board Committee:
› as a member of the Real Estate Committee (IC) CHF 55,000 (previously CHF 70,000),
› as a member of the Audit Committee (AC) CHF 35,000 (previously CHF 50,000),
› as a member of the Nomination and Compensation Committee (NCC) CHF 15,000 (previously CHF 20,000).

For acting as Chairman:
› of the Board of Directors CHF 130,000 (previously CHF 200,000),
› of a Board Committee CHF 20,000 (previously CHF 30,000).

This ensures that the compensation paid to the Board of Directors is in line with the time required for their activities and the level of responsibility involved.

Compensation of the Executive Board

Principles
Articles 28 and 29 of the Articles of Association govern the compensation of the Executive Board. The Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

The compensation system must ensure the members of the Executive Board receive compensation in line with their success in implementing the strategy and their contribution to corporate performance.

The compensation system is based on the three principles described below:

Performance-related
› Performance-related compensation is calculated using qualitative (35%) and quantitative (65%) criteria
› The compensation system is linked to the implementation of the corporate strategy

Competitive, in line with the market and transparent
› Attracts and retains highly qualified management
› Compensation is fair and reasonable in both an internal and external comparison with major listed Swiss real estate companies

Aligned with the interests of the shareholders
› Promotes outstanding performance and the generation of added value in the interests of the shareholders
› Performance-related compensation of which at least 50% is in the form of vested shares as a long-term incentive

The total compensation payable to each member of the Executive Board consists of a basic salary (incl. expenses allowance), any other non-performance-related elements and a performance-related element, plus social insurance contributions, ancillary pay and pension contributions. Total compensation takes into account the level of responsibility, area of responsibility, expertise and function of the Executive Board member in question, their achievement of objectives and market conditions.

It is set by the entire Board of Directors at the request of the Nomination and Compensation Committee in line with market conditions, with a particular focus on salary levels in the Swiss real estate market, and reviewed annually. Salaries are compared against the major Swiss real estate companies listed on the SIX Swiss Exchange: Swiss Prime Site AG, PSP Swiss Property AG, Allreal Holding AG, Intershop Holding AG, Zug Estates Holding AG and Warteck Invest AG. This competitive compensation system should enable Mobimo to recruit the senior managers it wants from the relatively small pool of suitable executives and retain them for the company for the long term.

Approval by the General Meeting
The maximum total amount of performance-related compensation payable to the Executive Board must be approved annually by the General Meeting for the financial year in which the General Meeting in question takes place. No performance-related compensation may be paid for the period in question before approval is given.

The maximum total amount of non-performance-related compensation payable to the Executive Board must be approved annually by the General Meeting for the financial year following the General Meeting in question.

If the total amount of compensation payable to the Executive Board is not approved, the Board of Directors may either submit a new proposal to the same General Meeting or convene an Extraordinary General Meeting at which it will submit a new proposal for the total amount of non-performance-related/performance-related compensation.

Fixed compensation

Like total compensation, the fixed salary is geared to the actual area of responsibility, professional requirements and expertise of each member of the Executive Board and the amount of work involved, and is paid in monthly instalments.

Performance-related compensation

The performance-related compensation payable to members of the Executive Board is based on the quantitative and qualitative objectives and parameters set by the Board of Directors. The Board of Directors issues regulations governing the details of performance-related compensation. In accordance with currently applicable employment contracts, the maximum performance-related compensation payable to each individual member of the Executive Board is limited to 100% of their non-performance-related gross salary, despite the Articles of Association allowing an upper limit of 150%. At least 50% of the performance-related compensation is paid as a long-term incentive, i.e. in shares in the company. The shares issued are subject to a vesting period of five years.

Profit-sharing model

In accordance with the compensation regulations in force since 1 January 2015, the payment of the performance-related element of Executive Board members' compensation is conditional on certain quantitative targets being met by the company (65%) and on individual performance targets (qualitative targets) being met (35%). Under the compensation regulations, performance-related compensation is capped at 100% of the fixed gross salary.

Based on the corporate strategy, the Board of Directors has defined the key performance figure for calculating the extent to which quantitative targets have been met as the return on equity before revaluation income. However, entitlement to compensation as a result of quantitative targets being met is conditional on the company achieving a minimum return on equity before revaluation income of 4.5%.

From 2020, this threshold will be reduced to 4.0% in light of the significantly lower real estate market returns. Profit or loss from the sale of investment properties will now no longer be included in the relevant calculation of return on equity. Net income from the revaluation of development properties for Mobimo's own portfolio and operational net income from the revaluation of investment properties will be used. The reason for this change is to incentivise value creation through Mobimo's development activities, as opposed to gains in value resulting purely from market trends. Once this minimum return on equity has been achieved, the entitlement of the Executive Board members rises on a straight-line basis within a range defined by the Board of Directors.

Qualitative targets comprise individual performance targets such as company, segment or function-specific targets or personal targets, as well as economic and/or market-relevant key figures. Every year, the Nomination and Compensation Committee sets objectives based on Mobimo's corporate strategy, which are then used to determine individual performance targets. The Chairman of the Executive Board then submits a concrete proposal for individual performance targets to the Nomination and Compensation Committee. The targets are then approved by the Board of Directors.

The extent to which qualitative targets have been met is assessed once a year, after the end of the financial year. The assessment is carried out in a first phase by the Chairman of the Executive Board for their fellow members of the Executive Board and by the Chairman of the Board of Directors for the Chairman of the Executive Board. The Nomination and Compensation Committee then carries out a second assessment. Whether or not a member of the Executive Board has met their target determines their individual entitlement to the portion of performance-related contribution based on the qualitative objectives.

Payment of performance-related compensation

Performance-related compensation is always paid in the following year, at the latest prior to the date of the General Meeting.

At least 50% of the performance-related compensation is paid as a long-term incentive, i.e. in shares in the company. The shares are subject to a vesting period of five years. At the request of the Nomination and Compensation Committee, the Board of Directors determines the dates of allocation and transfer of ownership, as well as the vesting periods for the shares. The share value equals the share price on the date of allocation. From the date of allocation, the shares have both voting and dividend rights.

The Board of Directors may decide to shorten or waive vesting periods, make compensation conditional on the achievement of objectives or not pay compensation at all due to the occurrence of predefined events such as a change of control or termination of an employment relationship. In particular, members of the Executive Board who are released from their contracts generally still receive a pro rata portion of the contractually agreed compensation until the end of their employment contract unless the employer terminated the employment relationship for good cause attributable to the employee. Performance-related compensation is generally also paid unless the member in question provided good cause for termination. In each individual case, the Board of Directors decides whether or not the compensation is to be paid and whether vesting periods are to be waived on the basis of the employment contract and the specific circumstances.

The company is entitled to the repayment of all performance-related compensation paid out on the basis of annual financial statements that do not reflect the company's actual results due to criminal activities or other forms of manipulation. The amount of the repayment entitlement corresponds to the extent of the falsification.

Additional amount for compensation payable to members appointed after the General Meeting
Article 29 of the Articles of Association governs the additional amount for compensation payable to members appointed after the General Meeting. The Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

For each member of the Executive Board appointed after the General Meeting that voted on the total amount of compensation, there is an additional amount of 30% of the total compensation for the Executive Board already approved in advance for the relevant periods. This amount also covers the period between the member in question's appointment and the start of the already approved period. The additional amount that is actually used does not need to be approved by the General Meeting.

Within the limits of the total amount or additional amount already approved, the company may pay a new member of the Executive Board a joining bonus to offset any losses incurred due to the change of position.

Comparison of compensation actually paid and the compensation approved by the General Meeting

The table below shows the approved compensation elements payable to the Board of Directors and Executive Board and compares the figures with the actual amounts recorded in 2019. In accordance with the Articles of Association, the compensation payable to the Board of Directors is approved in advance for the period until the next Annual General Meeting. As a result, the approved compensation amount is reduced to the nine-month figure on a straight-line basis and compared with the payments recognised in the income statement for the period from April to December 2019.

Board of Directors

TCHF	Approved 2.4.2019 – 31.3.2020	Approved 2.4.2019 – 31.12.2019 (9 months/pro rata)	Paid 2.4.2019 – 31.12.2019	Approved 27.3.2018 – 2.4.2019	Paid 27.3.2018 – 2.4.2019
Fixed compensation incl. shares	1,100	825	767	1,300	1,257

Executive Board

TCHF	Approved 1.1.2019 – 31.12.2019	Paid 1.1.2019 – 31.12.2019	Approved 1.1.2018 – 31.12.2018	Paid 1.1.2018 – 31.12.2018
Fixed compensation	3,100	3,069	3,100	2,988
Performance-related compensation	3,000	768	3,100	910

Compensation report for the 2019 financial year in accordance with the OaEC

Compensation payable to the Board of Directors and Executive Board and related parties

In the year under review, the members of the Board of Directors, related parties and the Executive Board received compensation as set out below.

Compensation payable to the Board of Directors

Name, function (TCHF)	Fees, salary	Shares	Social security contributions	2019 Total	Fees, salary	Shares	Social security contributions	2018 Total
Peter Schaub, Chairman BoD (from April 2019)	230	0	0	230	170	0	0	170
Brian Fischer, BoD	151	0	11	162	170	0	12	182
Wilhelm Hansen, BoD	125	0	6	131	140	0	9	149
Daniel Crausaz, BoD	124	0	0	124	120	0	0	120
Bernard Guillelmon, BoD	109	0	8	117	120	0	9	129
Bernadette Koch, BoD (from April 2019)	90	0	6	96	n/a	n/a	n/a	n/a
Christoph Caviezel, BoD (from April 2019)	94	0	0	94	n/a	n/a	n/a	n/a
Georges Theiler, Chairman BoD (until April 2019)	85	0	5	90	340	0	21	361
Peter Barandun, BoD (until April 2019)	35	0	3	38	110	30	10	150
Total	**1,043**	**0**	**39**	**1,082**	**1,170**	**30**	**61**	**1,261**

Additional compensation payable to members of the Board of Directors and related parties or companies

No request was submitted to the 2019 Annual General Meeting for a sum for additional compensation of members of the Board of Directors and related parties or companies.

Compensation payable to the Executive Board

TCHF	2019 Total	2018 Total	2019 Daniel Ducrey, CEO (from 1 March 2019)	2018 Christoph Caviezel, CEO
Fees, salary	2,352	2,410	474	703
Profit-sharing in cash	427[1]	418	76	123
Profit-sharing in shares	342	420	77	123
Other contributions[2]	716	650	140	196
Total	**3,837**	**3,898**	**767**	**1,145**

[1] In 2019, the profit contribution was paid out as a cash lump sum in the case of a departing member of the Executive Board.
[2] Other contributions include pension contributions, any service anniversary gifts, private use of vehicles and employer's social insurance contributions.

Amounts for the 2019 financial year reflect the expense reported in the consolidated financial statements for the year under review (accrual accounting).

The General Meeting of 2 April 2019 approved fixed compensation of CHF 3 million for the Executive Board for the 2020 financial year.

Share-based compensation for the Executive Board was based on the assumption that a ratio of 50% (prior year: 50%) as stipulated in the compensation regulations applies.

Loans and credit facilities granted to the Board of Directors, Executive Board and related parties

No loans or credit facilities were granted to members of the Board of Directors, Executive Board or related parties in the 2019 financial year, and there were no such receivables outstanding as at 31 December 2019.

Report of the Statutory Auditor

To the General Meeting of Shareholders of Mobimo Holding AG, Lucerne

We have audited the remuneration report dated 31 December 2019 of Mobimo Holding AG for the year ended 31 December 2019. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections “Comparison of compensation actually paid and the compensation approved by the General Meeting” and “Compensation report for the 2019 financial year in accordance with the Ordinance Against Excessive Compensation in Listed Companies” on pages 46 to 47 of the compensation report.

Responsibility of the Board of Directors

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 – 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 – 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 for the year ended 31 December 2019 of Mobimo Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 6 February 2020

FINANCIAL REPORT

Consolidated income statement

TCHF	Note	2019	2018
Income from rental of properties	4	125,013	114,124
Income from development projects and sale of trading properties	7	61,674	62,162
Other income		5,900	4,208
Revenue		**192,586**	**180,494**
Gains from revaluation of investment properties	5	70,370	61,737
Losses on revaluation of investment properties	5	–18,823	–19,772
Net income from revaluation		**51,547**	**41,965**
Profit on disposal of investment properties	6	**6,376**	**29,026**
Direct expenses for rented properties	4	–18,344	–20,153
Direct expenses from development projects and sale of trading properties	7	–58,653	–55,956
Direct operating expenses		**–76,997**	**–76,109**
Capitalised own-account services		7,058	6,640
Personnel expenses	16	–28,928	–30,366
Operating expenses	20	–11,172	–10,814
Administrative expenses	21	–2,800	–3,430
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**137,670**	**137,405**
Depreciation	24	–2,311	–1,738
Amortisation and impairment losses	25	–1,326	–2,038
Earnings before interest and tax (EBIT)		**134,033**	**133,629**
Share of profit of investments in associates and joint ventures		2,540	3,069
Financial income		2,553	2,162
Financial expense		–30,910	–29,168
Financial result	10	**–28,357**	**–27,007**
Earnings before tax (EBT)		**108,216**	**109,692**
Tax expense	19	–5,131	–19,400
Profit		**103,086**	**90,291**
Of which attributable to the shareholders of Mobimo Holding AG		103,161	90,623
Of which attributable to non-controlling interests		–75	–332
Earnings per share in CHF	31	15.64	14.26
Diluted earnings per share in CHF	31	15.64	14.26

Consolidated statement of comprehensive income

TCHF	Note	2019	2018
Profit		**103,086**	**90,291**
Items that may be reclassified subsequently to income statement		**–6,111**	**1,599**
Loss/profit on financial instruments for hedge accounting	11	–7,421	3,504
Reclassification adjustments for amounts recognised in income statement	11	134	152
Tax effects	11	1,177	–2,057
Items that will not be reclassified subsequently to income statement		**–3,074**	**274**
Remeasurement in staff pension schemes	17	–3,652	338
Tax effects	19	578	–64
Total other comprehensive income		**–9,185**	**1,873**
Of which attributable to the shareholders of Mobimo Holding AG		–9,185	1,873
Of which attributable to non-controlling interests		0	0
Total comprehensive income		**93,900**	**92,164**
Of which attributable to the shareholders of Mobimo Holding AG		93,975	92,496
Of which attributable to non-controlling interests		–75	–332

Consolidated balance sheet

TCHF	Note	31.12.2019	31.12.2018
Assets			
Current assets			
Cash	13	45,823	153,556
Trade receivables	22	13,047	34,842
Financial assets	27	124	0
Current tax assets		17,147	13,025
Other receivables	23	2,869	15,339
Contract assets	8	15,854	17,450
Trading properties	9	259,332	194,861
Accrued income and prepaid expenses		2,768	4,663
Total current assets		**356,964**	**433,737**
Non-current assets			
Investment properties			
› Commercial properties	5	1,366,910	1,208,030
› Residential properties	5	1,222,690	1,097,140
› Development properties	5	95,280	144,140
› Investment properties under construction	5	343,360	420,760
Property, plant and equipment			
› Owner-occupied properties	24	14,734	13,738
› Other property, plant and equipment	24	5,990	6,227
Intangible assets	25	8,096	7,749
Investments in associates and joint ventures	26	29,527	29,287
Financial assets	27	4,922	2,701
Deferred tax assets	19	2,302	1,664
Total non-current assets		**3,093,811**	**2,931,437**
Total assets		**3,450,775**	**3,365,174**

TCHF	Note	31.12.2019	31.12.2018
Equity and liabilities			
Liabilities			
Current liabilities			
Current financial liabilities	11	182,020	87,848
Current lease liabilities	11	297	0
Trade payables		18,209	17,531
Current tax liabilities		5,697	9,678
Derivative financial instruments	11/15	105	162
Other payables	28	4,625	4,376
Contract liabilities	8	5,297	5,126
Advance payments from buyers		90	505
Accrued expenses and deferred income	29	41,804	40,716
Total current liabilities		**258,144**	**165,943**
Non-current liabilities			
Non-current financial liabilities	11	1,412,368	1,452,840
Non-current lease liabilities	11	3,895	0
Employee benefit obligation	17	12,623	8,477
Derivative financial instruments	11/15	32,541	27,192
Deferred tax liabilities	19	198,948	197,213
Total non-current liabilities		**1,660,375**	**1,685,722**
Total liabilities		**1,918,519**	**1,851,664**
Equity	14		
Share capital		154,476	154,476
Treasury shares		–1,110	–1,216
Capital reserves		136,604	202,611
Retained earnings		1,242,286	1,151,315
Total equity attributable to the shareholders of Mobimo Holding AG		**1,532,256**	**1,507,185**
Attributable to non-controlling interests		**0**	**6,324**
Total equity		**1,532,256**	**1,513,509**
Total equity and liabilities		**3,450,775**	**3,365,174**

Consolidated cash flow statement

TCHF	Note	2019	2018
Earnings before tax		108,216	109,692
Net gains from revaluation of investment properties	5	–51,547	–41,965
Share-based payments	18	304	450
Depreciation on property, plant and equipment and amortisation of lease incentives		3,931	2,449
Amortisation of intangible assets	25	1,326	2,038
Profit on disposal of investment properties	6	–6,376	–29,026
Share of profit of investments in associates and joint ventures		–2,540	–3,069
Financial result	10	28,357	27,007
Changes			
› Trade receivables		31,809	23,975
› Contract assets		–8,541	22,388
› Trading properties		–89,798	3,569
› Other receivables and accrued income and prepaid expenses		14,417	10,292
› Employee benefit obligation		494	2,762
› Trade payables		342	–1,841
› Contract liabilities		171	565
› Advance payments from buyers		–325	610
› Other liabilities and accrued expenses and deferred income		–8,712	1,349
Income tax paid		–9,066	–26,880
Net cash from operating activities		**12,465**	**104,364**
Investments in financial assets	27	–3,234	–400
Acquisition of investment properties	5	–86,189	–216,028
Acquisition of property, plant and equipment	24	–958	–2,360
Acquisition of intangible assets	25	–1,673	–1,717
Disposal of financial assets	27	0	150,000
Disposal of property, plant and equipment		53	0
Disposal of investment properties less selling costs	6	22,526	176,743
Disposal of associates		0	200
Dividends received		2,396	1,893
Interest received		199	25
Net cash used in investing activities		**–66,881**	**108,354**
Proceeds from financial liabilities	11	155,800	173,274
Repayment of financial liabilities	11	–101,747	–212,615
Repayment of lease liabilities	11	–276	0
Net cash from capital increases		0	–19
Nominal value repayment	14	0	–34,812
Distribution of capital contribution reserves	14	–65,982	–27,352
Acquisition of non-controlling interests	33	–9,175	–8,200
Purchase of treasury shares	14	–300	–1,856
Interest paid		–31,638	–34,685
Net cash used in financing activities		**–53,317**	**–146,265**
Change in cash		**–107,733**	**66,453**
Cash at beginning of reporting period		153,556	87,103
Cash at end of reporting period		**45,823**	**153,556**

Consolidated statement of changes in equity

TCHF	Note	Share capital	Treasury shares	Capital reserves	Hedging reserve	Other retained earnings	Total retained earnings	Equity attributable to the shareholders of Mobimo Holding AG	Non-controlling interests	Total equity
At 1 January 2018		**180,327**	**–133**	**145,390**	**–21,060**	**1,080,478**	**1,059,418**	**1,385,002**	**15,172**	**1,400,174**
Profit						90,623	90,623	90,623	–332	90,291
Cash flow hedges:	11									
› Change in fair value					3,504		3,504	3,504		3,504
› Transfer to income statement					152		152	152		152
› Tax effects					–2,057		–2,057	–2,057		–2,057
Staff pension schemes:	17									
› Remeasurement						338	338	338		338
› Tax effects						–64	–64	–64		–64
Other comprehensive income		**0**	**0**	**0**	**1,599**	**274**	**1,873**	**1,873**	**0**	**1,873**
Total comprehensive income		**0**	**0**	**0**	**1,599**	**90,897**	**92,496**	**92,496**	**–332**	**92,164**
Nominal value repayment		–34,822	10					–34,812		–34,812
Distribution of capital contribution reserves	14			–27,352				–27,352		–27,352
Share-based payments:	14/18									
› Capital increase	14	8,971		84,570				93,541		93,541
› Board of Directors and management	18		764	3		–316	–316	450		450
Purchase of treasury shares			–1,856					–1,856		–1,856
Acquisition of non-controlling interests	32					–284	–284	–284	–8,516	–8,800
At 31 December 2018/ 1 January 2019		**154,476**	**–1,216**	**202,611**	**–19,461**	**1,170,776**	**1,151,315**	**1,507,185**	**6,324**	**1,513,509**
Profit						103,161	103,161	103,161	–75	103,086
Cash flow hedges:	11									
› Change in fair value					–7,421		–7,421	–7,421		–7,421
› Transfer to income statement					134		134	134		134
› Tax effects					1,177		1,177	1,177		1,177
Staff pension schemes:	17									
› Remeasurement						–3,652	–3,652	–3,652		–3,652
› Tax effects						578	578	578		578
Other comprehensive income		**0**	**0**	**0**	**–6,111**	**–3,074**	**–9,185**	**–9,185**	**0**	**–9,185**
Total comprehensive income		**0**	**0**	**0**	**–6,111**	**100,087**	**93,975**	**93,975**	**–75**	**93,900**
Nominal value repayment		0	0					0		0
Distribution of capital contribution reserves	14			–65,982				–65,982		–65,982
Share-based payments:	14/18									
› Board of Directors and management	18		406	–24		–78	–78	304		304
Purchase of treasury shares			–300					–300		–300
Acquisition of non-controlling interests	32					–2,926	–2,926	–2,926	–6,249	–9,175
At 31 December 2019		**154,476**	**–1,110**	**136,604**	**–25,572**	**1,267,858**	**1,242,286**	**1,532,256**	**0**	**1,532,256**

Notes to the consolidated annual financial statements

General information

1. Business activities

Mobimo Holding AG is the parent company of the Mobimo Group, which operates exclusively in Switzerland.
Its business activities consist of the long-term holding and management of commercial and residential properties, the construction and selling of owner-occupied residential properties, and the development of commercial and residential properties for its own portfolio and third-party investors.

Mobimo Holding AG is a public limited company under Swiss law, headquartered in Lucerne and listed on the SIX Swiss Exchange.

2. Group accounting policies

General information

The consolidated annual financial statements of Mobimo Holding AG are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with legislation in Switzerland as well as with Article 17 of the Directive on Financial Reporting issued by the SIX Swiss Exchange.

The consolidated financial statements of Mobimo Holding AG give a true and fair view of the financial position of the Mobimo Group and of its earnings and cash flows. In drawing up the consolidated financial statements as at 31 December 2018 (comparison period), all IFRS standards were followed, with the exception of IAS 12.15(b), application of which was waived in accordance with IAS 1.19. IAS 12.15(b) provides that, upon the initial recognition of an asset or a liability on a taxable temporary difference, no deferred tax liability may be recognised in a business combination which, at the time of the transaction, does not affect either the accounting profit under IFRS or the taxable profit.

Mobimo had acquired all the shares in Immobiliengesellschaft Fadmatt AG in August 2018. The purchase price including transaction costs was CHF 181.2 million. Upon acquisition of the company, properties worth CHF 288.4 million, other assets/liabilities of CHF 2.1 million and mortgages totalling CHF 67.8 million were transferred. The sale of the company does not entail any taxation of the sellers on the basis of the sale of properties. The presumed tax effect of CHF 41.5 million is deferred, i.e. tax will only be payable when Mobimo disposes of the properties held by Immobiliengesellschaft Fadmatt AG. This deferred tax liability was taken into account when the purchase price was agreed.

Immobiliengesellschaft Fadmatt AG did not fulfil the criteria for a business pursuant to IFRS 3, and as such the acquisition of the company was not a business combination within the meaning of IFRS 3. Rather, it was an acquisition of a group of assets and liabilities. Under IFRS 3.2(b), Mobimo must upon initial recognition identify and recognise the individual identifiable assets acquired and liabilities assumed and allocate the purchase price to these assets and liabilities. Goodwill may not be applied.

Based on IAS 12.15(b), no deferred tax liability could be recognised for this transaction. IFRIC confirmed in March 2017 that this provision also applies to cases where a company holding properties is acquired, rather than such properties being acquired directly. As a consequence, Mobimo would not have been permitted to recognise the above-mentioned deferred tax liabilities upon the initial consolidation of Immobiliengesellschaft Fadmatt AG. The portion of the purchase price relating to the tax liability would have had to have been spread across the other assets and liabilities. As they are classified as investment properties, the properties were measured at fair value; assuming that the CHF 41.5 million would have been primarily allocated to the properties, this would have resulted in a revaluation gain in the corresponding amount immediately upon initial consolidation, to be recorded through profit or loss, on which a corresponding deferred tax liability of around CHF 8.8 million would have had to have been created. No liability would have been recognised at any point for the remainder of the deferred taxes (estimated at around CHF 32.7 million). Consequently, these taxes would have had to be recognised pro rata as an expense at the time of the sale of one of these properties. Mobimo took the view that the above-mentioned revaluation gain would not have had any real economic substance and would have given readers of the balance sheet a false impression. Furthermore, the deferred tax liabilities would have not been recognised in full, meaning reported equity would have been too high. Measures such as NAV that are closely watched in the real estate sector would also have been misrepresented. Based on IFRIC's comments, it could also be concluded that the IASB did not intend for this to be the impact of the application of IAS 12.15(b) on this transaction, but that revising the standard is not a priority right now.

Under the IFRS Conceptual Framework, the fundamental objective of financial reporting is to provide financial information that is useful to existing and potential investors, lenders and other creditors in making decisions relating to the entity. Mobimo concluded that this objective could no longer have been met if IAS 12.15(b) was applied, with the consequences described above. The consolidated annual financial statements would not have given a true and fair view of the financial position, earnings and cash flows. Mobimo therefore decided, with reference to IAS 1.19, not to apply IAS 12.15(b). The deferred tax liability of CHF 41.5 million was recorded at the time of acquisition, and the properties acquired were valued at CHF 288.4 million. The deferred tax liabilities as at 31 December 2018 are therefore CHF 32.7 million higher than they would have been under application of IAS 12.15(b). There was also no CHF 41.5 million revaluation gain and no expense of CHF 8.8 million for deferred taxes in the 2018 consolidated annual financial statements.

Consolidation takes place on the basis of the individual financial statements from the Group companies. These statements are audited and drawn up in accordance with standardised guidelines. The reporting date is 31 December.

All amounts contained in the consolidated annual financial statements are shown in thousands of Swiss francs (TCHF), unless stated otherwise. The sums and totals of the individual positions may be larger or smaller than 100% due to rounding.

The consolidated annual financial statements have been prepared in accordance with the cost principle, with the exception of investment properties including investment properties under construction, derivatives and financial assets in the category "measured at fair value through profit or loss", which are all recognised at fair value, and investments in associates and joint ventures, which are initially valued at cost and subsequently according to Mobimo's share of equity.

The notes to the consolidated financial statements are divided into what Mobimo considers relevant sections to facilitate an understanding of the company's earnings and financial position. Similarly, for ease of comprehension, the accounting principles applied and material uncertainties regarding estimates are set out at the start of each relevant note.

Significant discretionary decisions and estimation uncertainty

In preparing the consolidated annual financial statements in accordance with IFRS, management is required to make estimates and assumptions as well as discretionary decisions. This can influence reported income, expenses, assets, liabilities and contingent assets and liabilities at the time the statements are drawn up. The estimates and assumptions used are based on past experience as well as on other factors which appear plausible at that specific point in time. If actual results in the future differ from such estimates and assumptions, the initial estimates and assumptions will be adjusted accordingly in the applicable reporting period.

Significant discretionary decisions and estimation uncertainties are described in the following notes:

› Fair value of investment properties, page 63,
› Estimate of the proceeds of sale, project progress and project costs of development services and the proceeds of sale and total cost of trading properties, page 73,
› Income taxes, page 94.

New standards/interpretations applied

Mobimo started to apply the following newly applicable or amended standards and interpretations with effect from 1 January 2019:

› IFRS 16 – Leases,
› IFRIC 23 – Uncertainty over Income Tax Treatments,
› Amendments to IFRS 9 – Prepayment Features with Negative Compensation,
› Amendments to IAS 28 – Long-Term Interests in Associates and Joint Ventures,
› Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement,
› Amendments to IFRS – Annual Improvements to IFRS 2015 – 2017.

With the exception of the first-time application of IFRS 16, the amendments had no effect on the annual financial statements.

First-time application of IFRS 16

Mobimo has applied IFRS 16 "Leases" since 1 January 2019. It replaced the previous standard on leases, IAS 17. IFRS 16 prescribes a single accounting model for lessees. This eliminates the need for lessees to distinguish between finance and operating leases. Leases must be recognised in the balance sheet in the form of a lease liability for future lease payments and a right of use over the underlying asset, except where contracts are short-term (term of less than 12 months) or relate to low-value assets.

For the lessor, however, the requirements under IFRS 16 are similar to those under IAS 17: the accounting treatment of leases continues to depend on whether the lease is a finance lease or an operating lease.

In accordance with its business model, Mobimo acts primarily as a lessor. All of its leases continue to be classified as operating leases. Consequently, there are no changes compared with the application of IAS 17 in this respect. For transactions in which Mobimo acts as lessee, the present value of the payment obligations from leases was previously recognised as a lease liability and the corresponding rights of use were recognised in the amount of the lease liabilities.

The payment obligations from operating leases as at 31 December 2018, as stated in Note 31 to the consolidated annual financial statements as at 31 December 2018, can be reconciled as follows to the initial recognition of lease liabilities as at 1 January 2019:

TCHF	2019
Operating lease obligations at 31 December 2018 according to notes to the 2018 consolidated financial statements	11,831
Discounted using the average incremental borrowing rate at 1 January 2019	4,465
Impact of transition:	
› Recognition exemption for short-term leases	–51
› Recognition exemption for low-value assets	–13
Lease liabilities at 1 January 2019	**4,400**
thereof current lease liabilities	262
thereof non-current lease liabilities	4,139

The lease liabilities were discounted using the incremental borrowing rate as at 1 January 2019. The weighted average interest rate was 5.5%. The interest rates used are influenced by the length of the leases and the quality of the leased assets.
The rights of use recognised for the first time as at 1 January 2019 are treated as follows:

Rights of use relating to land covered by building rights
Depending on the recognition of the underlying property, rights of use relating to land covered by building rights are reported in the balance sheet items “Trading properties” or “Investment properties”. While rights of use for land covered by building rights in the investment properties category fall within the scope of IAS 40 and are therefore only subject to remeasurement, rights of use for land covered by building rights in the trading properties category are depreciated on a straight-line basis. If rental income is still generated from the property, the resulting depreciation is recognised under direct expenses for rented properties. In the case of properties under construction that are not generating rental income, depreciation is generally capitalised as production costs.

Rights of use relating to rented office premises
Rights of use relating to rented office premises form part of the balance sheet item “Owner-occupied properties”. The depreciation on the rights of use is shown under “Depreciation”.

Effects from the first-time application of IFRS 16
The following table shows the effects from the first-time application of IFRS 16, which were recognised in the balance sheet as at 1 January 2019:

TCHF	31.12.2018	Application of IFRS 16	1.1.2019
Trading properties	194,861	476	195,338
Total current assets	**433,737**	**476**	**434,213**
Investment properties			
› Commercial properties	1,208,030	1,827	1,209,857
Property, plant and equipment			
› Owner-occupied properties	13,738	2,097	15,835
Total non-current assets	**2,931,437**	**3,924**	**2,935,361**
Total assets	**3,365,174**	**4,400**	**3,369,574**
Current lease liabilities	0	262	262
Total current liabilities	**165,943**	**262**	**166,204**
Non-current lease liabilities	0	4,139	4,139
Total non-current liabilities	**1,685,722**	**4,139**	**1,689,860**
Total liabilities	**1,851,664**	**4,400**	**1,856,065**
Total equity and liabilities	**3,365,174**	**4,400**	**3,369,574**

In applying IFRS 16 for the first time with effect from 1 January 2019, Mobimo used the “modified retrospective approach”. As such, it did not undertake a complete restatement of the comparison.

As the rights of use were recognised at the value of the corresponding lease liability upon first-time application, the transition to IFRS 16 had no effect on equity as at 1 January 2019.

Standards/interpretations published but not yet applied

The following new and amended standards and interpretations were approved, but will not take effect until a later date. They have not been adopted in advance in these consolidated annual financial statements.

Standard/interpretation			Entry into force	Planned application by Mobimo (financial year)
Amendments to IFRS Standards	Amendments to References to Conceptual Framework in IFRS Standards	**	1.1.2020	2020 financial year
Amendments to IFRS 3	Definition of a Business	**	1.1.2020	2020 financial year
Amendments to IAS 1 and IAS 8	Definition of Material	*	1.1.2020	2020 financial year
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	**	1.1.2020	2020 financial year
IFRS 17	Insurance Contracts	**	1.1.2021	2021 financial year

* Mobimo has analysed their impact. See the note below for the standard.
** No impact or no significant impact on Mobimo's consolidated annual financial statements is expected.

Amendments to IAS 1 and IAS 8 – Definition of materiality
Mobimo is currently conducting a detailed assessment of the impact of the changes to IAS 1 and IAS 8. The application of the new provisions could result in changes to the information contained in the notes to the financial statements.

Segment reporting

3. Segment reporting

Internal reporting to Mobimo's key decision-makers is based on the company's two business segments. The business activities of these two segments can be described as follows:

Real Estate

The Real Estate segment shows the profit from investment properties held on a long-term basis to generate rental income. This profit comprises the income and associated expenses relating to commercial and residential investment properties. The investment portfolio is constantly optimised by the company's portfolio management team. An individual strategy is determined for each investment property based on the corporate strategy. The portfolio and tenant mix is constantly reviewed. Mobimo aims for significant diversification to generate stable and sustainable returns. The company's management and marketing teams are responsible for tenant support, operation and maintenance of properties and marketing residential, commercial and retail space. The segment also includes facility management and related services provided for properties in the company's own portfolio and their tenants as well as for selected third-party customers.

Development

The Development segment shows the profit from investment properties under construction for the company's own portfolio, development for institutional and private investors (Development for Third Parties) and the construction and sale of condominium apartments. The services provided by the Development for Third Parties business area range from purely development services to turn-key real estate. The business area's activities include developing and realising construction projects on sites and building plots, monitoring construction activity during the construction phase and supporting buyers with condominium projects as well as selling condominiums. Developments for sale (third parties and condominiums) are recognised under trading properties and under contract assets and liabilities (see Notes 8 and 9). Developments for the company's own portfolio are listed under Investment properties under construction (see Note 5).

The Board of Directors, which has been identified as the key decision-maker, monitors the results of the individual segments on the basis of EBIT. These figures are determined using the same accounting principles as in the consolidated annual financial statements prepared in accordance with IFRS. Income tax and interest are not included in the segment results. The costs of central functions such as Finance and IT, Marketing and Communication, Legal Services and Central Services, along with the expenses for the Executive Board, are attributed to the segments on the basis of usage. Expenses in connection with the Board of Directors are not attributed to the segments, but are reported under Reconciliation.

Segment assets comprise trading properties, contract assets, investment properties, owner-occupied properties and investment properties under construction. No other assets are attributed to the segments. Segment assets are measured in the same way as in the consolidated annual financial statements prepared in accordance with IFRS.

With the exception of the transfer of segment assets, there were no transactions between the individual segments. It was therefore not necessary to eliminate intersegment transactions.

Since Mobimo operates exclusively in Switzerland, revenues and non-current assets do not need to be broken down on a geographical basis.

A further breakdown of income from rental of properties by property type (commercial, residential and trading properties) can be found in Note 4.

Segment information 2019

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Segment income statement					
Income from rental of properties	104,891	20,121	125,013		125,013
Net income from revaluation	45,740	5,807	51,547		51,547
Income from development projects and sale of trading properties	0	61,674	61,674		61,674
Profit on disposal of investment properties	6,376	0	6,376		6,376
Other income	5,900	0	5,900		5,900
Total segment income	**162,907**	**87,602**	**250,509**		**250,509**
Segment result EBIT[1]	**126,736**	**8,419**	**135,155**	**–1,121**	**134,033**
Share of profit of investments in associates and joint ventures					2,540
Financial result					–28,357
Earnings before tax (EBT)					**108,216**
Tax					–5,131
Profit					**103,086**
Segment assets					
Trading properties	0	259,332	259,332		259,332
Contract assets[2]	0	15,854	15,854		15,854
Investment properties	2,589,600	95,280	2,684,880		2,684,880
Owner-occupied properties	14,734		14,734		14,734
Investment properties under construction	0	343,360	343,360		343,360
Total segment assets	**2,604,334**	**713,826**	**3,318,160**		**3,318,160**
Non-attributed assets				132,615	132,615
Total assets					**3,450,775**
Depreciation and amortisation	–1,709	–1,928	–3,637		–3,637
Investments in non-current assets	21,601	70,353	91,954	2,631	94,585

1 The reconciliation EBIT comprises compensation for the Board of Directors.
2 Contract assets are offset by contract liabilities of TCHF 5,297.

Segment information 2018

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Segment income statement					
Income from rental of properties	99,282	14,842	114,124		114,124
Net income from revaluation	21,560	20,405	41,965		41,965
Income from development projects and sale of trading properties	0	62,162	62,162		62,162
Profit on disposal of investment properties	29,026	0	29,026		29,026
Other income	4,208	0	4,208		4,208
Total segment income	**154,076**	**97,409**	**251,485**		**251,485**
Segment result EBIT[1]	**115,392**	**19,536**	**134,928**	**–1,299**	**133,629**
Share of profit of investments in associates and joint ventures					3,069
Financial result					–27,007
Earnings before tax (EBT)					**109,692**
Tax					–19,400
Profit					**90,291**
Segment assets					
Trading properties	0	194,861	194,861		194,861
Contract assets[2]	0	17,450	17,450		17,450
Investment properties	2,305,170	144,140	2,449,310		2,449,310
Owner-occupied properties	13,738	0	13,738		13,738
Investment properties under construction	0	420,760	420,760		420,760
Total segment assets	**2,318,908**	**777,212**	**3,096,120**		**3,096,120**
Non-attributed assets				269,054	269,054
Total assets					**3,365,174**
Depreciation and amortisation	–1,315	–2,460	–3,775		–3,775
Investments in non-current assets	304,280	110,493	414,773	4,078	418,851

1 The reconciliation EBIT comprises compensation for the Board of Directors.
2 Contract assets are offset by contract liabilities of TCHF 5,126.

Investment portfolio

Significant discretionary decisions and estimation uncertainty
The properties are measured at fair value, determined in accordance with the provisions of IFRS 13. The valuations are based on various estimates and assumptions, which are explained in the Valuation details section of Note 5.

A qualitative analysis of the sensitivity of the fair values of investment properties to a change in inputs and a quantitative analysis of the sensitivity of fair values to a change in the discount and capitalisation rates are also shown.

4. Net rental income

Accounting principles
Income from the rental of properties includes net rental income, i.e. target rental income less rents lost due to vacancies. In the case of rental agreements classed as operating leases, rents are recognised on an accrual basis over the term of the lease. If the tenants are provided with significant incentives (e.g. tenant-specific finishings or rent-free periods), the cost of such incentives is recognised over the lease term on a straight-line basis as an adjustment of the rental income.
At present, Mobimo has no rental agreements classed as finance leases.
Rental income from commercial properties is defined as rental income from investment properties that are used mainly for commercial purposes, including any rental income from commercial properties under construction or from development properties falling into the commercial category.
Rental income from residential properties is defined as rental income from investment properties that are used mainly for residential purposes, including any rental income from residential properties under construction or from development properties falling into the residential category.
Rental income from trading properties is made up of income from development properties and from properties held for resale.
Direct expenses contains all costs relating to maintenance and administration (including building superintendent remuneration, marketing and property taxes) that cannot be passed on to tenants. Significant costs incurred in securing a rental agreement are capitalised and recognised as an expense over the term of the agreement.

Rental income can be broken down as follows:

TCHF	2019	2018
Commercial properties	77,305	75,126
Residential properties	43,818	34,510
Income from rental of investment properties	**121,123**	**109,637**
Trading properties	3,890	4,488
Total income from rental of properties	**125,013**	**114,124**
Commercial properties	–11,745	–13,192
Losses on receivables commercial properties	–131	–446
Residential properties	–5,741	–5,757
Losses on receivables residential properties	–106	–90
Investment property expense	**–17,723**	**–19,485**
Rented trading properties	–533	–593
Losses on receivables from trading properties	–88	–75
Total direct expenses for rented properties	**–18,344**	**–20,153**
Net rental income	**106,669**	**93,971**

In addition to actual rental income, rental income from investment properties includes other property-related income of CHF 1.2 million (prior year: CHF 0.9 million), consisting primarily of income from the short-term use of the car parks held in the investment portfolio. As such, this income is not based on any leases for the purposes of IFRS 16.

Mobimo as landlord

The future rental income set out below will be generated from non-cancellable rental agreements for investment properties:

TCHF	Commercial properties	Residential properties	Investment properties under construction	2019 Total
within 1st year	66,042	4,594	10,610	81,246
within 2nd year	57,813	3,184	9,444	70,440
within 3rd year	45,644	3,007	8,580	57,231
within 4th year	34,642	2,584	7,738	44,964
within 5th year	27,698	2,180	6,679	36,557
within 6th year and longer	250,553	3,968	50,703	305,224
Total future rental income from non-cancellable rental agreements	**482,392**	**19,516**	**93,755**	**595,663**

In accordance with IFRS 16, contractual rental income is now shown separately for the first five years in the above table. Rental agreements already concluded for investment properties under construction are also taken into account. For rental agreements whose start date depends on the end of construction, the completion date has been estimated.

TCHF	Commercial properties	Residential properties	2018 Total
within 1st year	58,044	5,486	63,530
within 2nd to 5th year	165,295	5,489	170,784
within 6th year and longer	263,489	3,379	266,869
Total future rental income from non-cancellable rental agreements	**486,828**	**14,355**	**501,182**

Rental agreements for commercial properties generally contain an index clause stating that rents may be increased on the basis of the consumer price index. Rent increases for residential properties are generally linked to factors including the mortgage interest rate (reference interest rate).

As at 31 December 2019, CHF 122.7 million or 98.9% (prior year: CHF 118.6 million or 99.2%) of rental income derived from rental agreements that have index clauses or are linked to the mortgage interest rate.

The five biggest tenants generate the following shares of rental income:

%	31.12.2019	31.12.2018
SV Group	6.6	6.3
Swisscom Group	6.5	5.3
Coop Group	3.0	3.1
Senevita AG	2.9	3.1
Rockwell Automation Switzerland	2.7	2.8
Total	**21.7**	**20.6**

5. Investment properties

Accounting principles
The investment properties are classified as investment properties under IAS 40. Mobimo differentiates between the following categories of investment property:

Commercial investment properties
These are properties that have been either acquired or built by the company and that are held and managed over a substantial period of time and are not rented out by Mobimo to private individuals as living space. Rental agreements for commercial properties generally contain an index clause stating that rents may be increased on the basis of the consumer price index.

Residential investment properties
These are properties that have been either acquired or built by the company and that are held and managed over a substantial period of time and rented out to private individuals as living space. Rent increases for residential properties are generally linked to factors including the mortgage interest rate (reference interest rate).

In the case of mixed use, properties where more than 50% of rental income is generated from the rental of apartments are reported as residential properties and properties where more than 50% of rental income results from the rental of commercial premises are recognised as commercial properties.

Development properties
These include properties with construction shortcomings or substantial vacancy rates, where vacancy is unlikely to be brought below 10% on a long-term basis without significant refurbishment measures. Renovation or conversion plans are developed for these properties. On the basis of these plans, the properties are either reclassified as investment properties under construction or as trading properties, or revert to commercial or residential properties. Land held for undetermined future use is likewise classified as development property.

Investment properties under construction
Properties are classified as investment properties under construction as soon as building permission has been granted and construction is to start in the near future. Following completion, they are reclassified as either residential or commercial properties.

Investment properties are initially valued at cost at the time of initial recognition including directly attributable transaction costs. After initial recognition, they are recognised at fair value and the changes in value are recognised in the income statement.

To this end, an independent property expert conducts a valuation as at the reporting date. Fair value is determined on the basis of IFRS 13 (see Valuation details section).

The treatment of recognised right-of-use assets from property, plant and equipment is explained in Note 2 under Effects from the first-time application of IFRS 16.

Investment properties changed as follows:

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2019 Total
Market value at 31 December 2018	**1,208,030**	**1,097,140**	**144,140**	**420,760**	**2,870,070**
Impact of changes in accounting policies	1,827	0	0	0	1,827
Market value at 1 January 2019	**1,209,857**	**1,097,140**	**144,140**	**420,760**	**2,871,897**
Cumulative acquisition costs					
Balance at 31 December 2018	1,058,233	865,811	180,384	407,555	2,511,983
Impact of changes in accounting policies	1,827	0	0	0	1,827
Balance at 1 January 2019	1,060,060	865,811	180,384	407,555	2,513,809
Increases from investments[1]	13,010	6,496	3,409	58,619	81,533
Capitalisation of borrowing costs	0	0	0	1,183	1,183
Capitalisation/amortisation of lease incentives	1,148	125	0	6,274	7,547
Disposals	–15,811	0	0	0	–15,811
Transfers from/to trading properties	39,081	0	–10,559	0	28,522
Transfers between categories	145,710	65,078	–55,684	–155,104	0
Balance at 31 December 2019	**1,243,197**	**937,510**	**117,549**	**318,527**	**2,616,783**
Cumulative revaluation					
Balance at 1 January 2019	149,797	231,329	–36,244	13,205	358,087
Gains on valuations[2]	16,997	37,429	2,286	13,658	70,370
Losses on valuations[2]	–7,906	–780	–3,843	–6,294	–18,823
Disposals[3]	–455	0	0	0	–455
Transfers from/to trading properties	0	0	2,278	0	2,278
Transfers between categories	–34,720	17,202	13,254	4,264	0
Cumulative revaluation at 31 December 2019	**123,713**	**285,180**	**–22,269**	**24,833**	**411,457**
Market value at 31 December 2019	**1,366,910**	**1,222,690**	**95,280**	**343,360**	**3,028,240**
thereof right-of-use assets	1,720	0	420	0	2,140
Market value excl. right-of-use assets at 31 December 2019	**1,365,190**	**1,222,690**	**94,860**	**343,360**	**3,026,100**

1 Increases from investments include non-cash transactions from the accrual for construction costs and trade payables.
2 Corresponds to the sum of "Gains from revaluation of investment properties" and "Losses on revaluation of investment properties" in the income statement and represents the unrealised gains on properties that were in the investment portfolio as at the end of the year under review.
3 Included as a realised gain in "Profit on disposal of investment properties" in the income statement.

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2018 Total
Market value at 1 January	**1,367,490**	**730,650**	**118,960**	**366,660**	**2,583,760**
Cumulative acquisition costs					
At 1 January	1,219,963	562,039	147,460	317,359	2,246,821
Increases from purchases[1]	0	288,376	0	0	288,376
Increases from investments[2]	9,958	3,672	4,985	95,685	114,300
Capitalisation of borrowing costs	0	0	0	2,986	2,986
Capitalisation/amortisation of lease incentives	1,671	0	0	6,729	8,400
Disposals	–67,897	–81,004	0	0	–148,900
Transfers between categories	–105,462	92,729	27,939	–15,205	0
Balance at 31 December	**1,058,233**	**865,811**	**180,384**	**407,555**	**2,511,983**
Cumulative revaluation					
Balance at 1 January	147,527	168,611	–28,500	49,301	336,939
Gains on valuations[3]	10,047	25,084	367	26,240	61,737
Losses on valuations[3]	–10,518	–3,052	–3,142	–3,060	–19,772
Disposals[4]	–9,252	–11,565	0	0	–20,817
Transfers between categories	11,992	52,251	–4,969	–59,275	0
Cumulative revaluation at 31 December	**149,797**	**231,329**	**–36,244**	**13,205**	**358,087**
Market value at 31 December	**1,208,030**	**1,097,140**	**144,140**	**420,760**	**2,870,070**

1 Increases from purchases include non-cash transactions, in particular from the acquisition of the properties of Immobiliengesellschaft Fadmatt AG.
2 Increases from investments include non-cash transactions from the accrual for construction costs and trade payables.
3 Corresponds to the sum of "Gains from revaluation of investment properties" and "Losses on revaluation of investment properties" in the income statement and represents the unrealised gains on properties that were in the investment portfolio as at the end of the year under review.
4 Included as a realised gain in "Profit on disposal of investment properties" in the income statement.

Movements in the year under review

No investment properties were acquired in 2019. Details of the properties sold can be found in Note 6.

The following properties are shown under transfers:

from	to
Cham, Brunnmatt 4/6/8	
Trading properties	Commercial properties
St. Erhard, Längmatt	
Trading properties	Development properties
Regensdorf, Althardstrasse 30	
Development properties	Trading properties
Aarau, Aeschbachweg 2	
Aarau, Aeschbachweg 12	
Aarau, Buchserstrasse 9/11	
Aarau, Buchserstrasse 15	
Investment properties under construction	Residential properties
Aarau, Aeschbachweg 6/8	
Investment properties under construction	Commercial properties
Horgen, Seestrasse 93 (Seehallen)	
Investment properties under construction	Commercial properties
Lausanne, Rue du Port-Franc 20; Rue de Genève 33	
Development properties	Commercial properties

Valuation details

The valuation of investment properties is carried out in accordance with the provisions of IFRS 13, under which fair value is defined as the price that would be received when selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants on the valuation date. For non-financial assets, management has to assume the “highest and best use” by a market participant, which may differ from its current use. Under IFRS 13, valuation techniques are categorised into three levels in a fair value hierarchy depending on the extent to which fair value is based on observable inputs.

Level 1: Valuations based on unadjusted, quoted prices.
Level 2: Valuations based on inputs other than quoted prices in active markets that are observable either directly (i.e. prices) or indirectly (i.e. derived from prices).
Level 3: Valuations based on inputs not derived from observable market data.

As at 31 December 2019 and 2018, all commercial, residential and development properties and investment properties under construction were valued by the real estate appraiser Jones Lang LaSalle AG (JLL).

The valuation of investment properties (commercial, residential, development properties) and certain investment properties under construction is carried out using the discounted cash flow method (DCF), according to which a property’s fair value is determined by calculating the net income (rental income less operating and maintenance costs), discounted to the reporting date, that is expected to be generated in the future. The residual value method may also be used to value investment properties under construction. As at 31 December 2019, no properties were valued based on the residual value method. Under this method, the total construction costs of a planned building are subtracted from its future fair value after completion. After subtracting these costs from the fair value after completion, taking into account the risk and time effect, a residual remains which represents the economically justifiable amount to acquire the project. The discount rates vary according to the macro and micro situation and property segment.

JLL’s valuations are based on a two-phase DCF model. This replicates the payment flows over a detailed ten-year observation period and a capitalised exit cash flow. A nominal discount rate is applied to the detailed observation period that takes account of the effect of inflation on the cash flows during that period. Conversely, the exit cash flow in the two-phase model is capitalised using a real capitalisation rate.

As the non-observable inputs with a material impact on valuations – such as discount and capitalisation rates, market rents and structural vacancy rates – generally have to be derived from information from less active markets, the properties are valued according to a Level 3 model-based approach incorporating adjusted Level 2 input parameters. Further details of the valuation methodology can be found in the Report of the independent valuation experts on pages 124 to 127.

Rental income and vacancy rate

The annual target rental income is estimated using the rental income at the measurement date, taking account of the indexation of rents deriving from contractual agreement or law. Rents for office and commercial space are normally linked to the national consumer price index, while residential leases are linked to the change in the reference interest rate calculated quarterly by the Swiss National Bank, but also include an inflation element.

Market rents that appear sustainable from the current standpoint are applied to expiring commercial leases. The time required to realise market rents is determined with reference to local laws and the risk of new tenants objecting to changes in rents, but without replicating these in detail. The corresponding market rents are based on the rental price databases and JLL's real estate research services. The lower of market rent and contract rent is generally used where tenants have the option to extend leases.

For expiring commercial leases, a property and segment-specific vacancy is applied. The absorption time (vacancy in months after contract-end) is determined individually for each property and is usually between three and nine months. However, longer or shorter absorption times may be applied in special cases. Residential leases are usually open-ended, so specific vacancies are not modelled. Normal tenant fluctuation is taken into account using structural vacancy rates, which are applied specifically to each property.

Operating, maintenance and repair costs

Historical property accounts and the appraiser's benchmarks are used to calculate the management costs built into valuations. The costs used consist of operating and upkeep costs that cannot be passed on to the tenant due to the contractual conditions or that must be borne by the owner due to vacancy.

The repair costs for the ten-year detailed observation period used in the valuations are based on detailed analysis of the building by the portfolio management team and the ensuing investment planning. These are plausibility-tested by JLL, adjusted if necessary and incorporated into the valuations. JLL also considers its own estimates of required investment during the ten-year period. The assumptions regarding the repair and renovation measures that will be required in the long term (capex), which are reflected in the exit value, are modelled specifically for each property by the appraiser under the assumption that certain elements of the substance of each individual building will need to be periodically renewed.

Development and construction costs

To determine future implementation costs, for each individual project Mobimo provides capital budgets, project status information (execution and letting progress, scheduled completion dates, etc.) and investment costs incurred by the valuation date, all as at the valuation date. The documents are plausibility-tested by the appraiser and taken into account in its valuations.

Discount and capitalisation rate

The nominal discount and real capitalisation rates are property-specific and vary according to the macro and micro situation and property segment. The rates are based on the interest rate on long-term, risk-free investments (e.g. a ten-year federal government bond), adjusted for a specific risk premium that takes into consideration the current situation in the transaction market in addition to the usage, location and size of the property. The risk premium thus reflects market risks and the higher illiquidity associated with properties compared with risk-free investments.

Non-observable input factors

Non-observable input factors with a material impact have been identified as market rents, vacancy rates and discount and capitalisation rates. The applied input values are summarised in the table below.

Asset class/level/ valuation method	Fair value in CHF million	Input factors	Ranges (weighted average) 2019	Ranges (weighted average) 2018
Commercial investment properties Level 3 DCF	2019: 1 365 2018: 1 208	Discount rates (nominal)	3.70% to 6.20% (4.17%)	3.80% to 6.30% (4.21%)
		Capitalisation rates (real)	3.20% to 5.70% (3.67%)	3.30% to 5.80% (3.71%)
		Achievable market rents	CHF 30 to CHF 442 (CHF 297)	CHF 37 to CHF 467 (CHF 300)
		Structural vacancy rates	0.00% to 20.00% (5.87%)	2.00% to 20.00% (5.32%)
Residential investment properties Level 3 DCF	2019: 1 223 2018: 1 097	Discount rates (nominal)	3.00% to 3.60% (3.30%)	3.20% to 3.80% (3.43%)
		Capitalisation rates (real)	2.50% to 3.10% (2.80%)	2.70% to 3.30% (2.93%)
		Achievable market rents	CHF 174 to CHF 385 (CHF 296)	CHF 174 to CHF 386 (CHF 300)
		Structural vacancy rates	1.00% to 6.39% (2.52%)	0.50% to 4.05% (1.79%)
Commercial development properties Level 3 DCF	2019: 95 2018: 144	Discount rates (nominal)	3.60% to 5.50% (4.23%)	3.50% to 5.00% (4.28%)
		Capitalisation rates (real)	3.10% to 5.00% (3.73%)	3.00% to 4.50% (3.78%)
		Achievable market rents	CHF 106 to CHF 401 (CHF 255)	CHF 152 to CHF 401 (CHF 260)
		Structural vacancy rates	3.24% to 19.39% (5.43%)	3.24% to 22.83% (6.79%)
Commercial investment properties under construction Level 3 DCF	2019: 343 2018: 421	Discount rates (nominal)	3.40% to 4.60% (4.15%)	3.50% to 4.90% (4.25%)
		Capitalisation rates (real)	2.90% to 4.10% (3.65%)	3.00% to 4.40% (3.75%)
		Achievable market rents	CHF 176 to CHF 253 (CHF 238)	CHF 48 to CHF 260 (CHF 230)
		Structural vacancy rates	1.45% to 12.54% (7.41%)	1.44% to 12.72% (7.83%)

An average capital-weighted nominal discount rate of 3.82% (prior year: 3.92%), within a range of 3.00% to 6.20% (prior year: 3.20% to 6.30%), was applied to all DCF valuations across all investment categories as at 31 December 2019. The average capital-weighted capitalisation rate as at 31 December 2019 was 3.32% (prior year: 3.42%), within a range of 2.50% to 5.70% (prior year: 2.70% to 5.80%).

As at the reporting date, no properties were valued on the basis of their being sold as condominiums in accordance with the assumption of the highest and best use.

Sensitivity of inputs

Fair value increases with lower discount rates and structural vacancy rates and with higher market rents and sale prices. The economic environment can be considered as exerting the greatest influence on inputs, with the factors outlined above influenced to varying degrees by market developments. If negative market sentiment results in higher vacancy rates, market rents tend to come under pressure. At the same time, however, such market circumstances are usually associated with low interest rates, which have a positive impact on discount rates. To an extent, therefore, changes in inputs offset each other.

Ongoing optimisation measures made to Mobimo's property portfolio (e.g. conclusion/extension of long-term rental agreements, investments to expand rental space, etc.) provide a cushion against such short-term market shocks, which impact mainly on market rents and vacancy rates. The individual risk-adjusted discount rate of each property is, as already mentioned, in line with the return expectations of the investors or market participants in question and can only be influenced by Mobimo to a limited extent. On the real estate market at present it can be observed that, owing to the current negative interest rate environment, institutional investors are in some cases buying properties in good locations offering very low yields, their hands forced by the dearth of other investment options. This unpredictable investor behaviour could result in some properties fetching higher selling prices than their most recent estimates of fair value.

A sensitivity analysis tested the impact of an increase or decrease in the discount and capitalisation rates used in the DCF valuation. A general reduction of 0.25 percentage points in the discount and capitalisation rates would increase the current fair value of the investment properties as at 31 December 2019 by 8.6% or CHF 260 millon. A general increase of 0.25 percentage points in the discount and capitalisation rates would reduce the current fair value of the investment properties as at 31 December 2019 by 7.3% or CHF 221 million. Further sensitivity analysis findings can be found in the table below:

Change in discount/capitalisation rate in basis points	Change in fair value in % at 31.12.2019	Change in fair value in CHF million at 31.12.2019	Change in fair value in % at 31.12.2018	Change in fair value in CHF million at 31.12.2018
–0.40	14.5%	438	14.3%	410
–0.30	10.5%	317	10.3%	297
–0.25	**8.6%**	**260**	**8.5%**	**243**
–0.20	6.7%	204	6.7%	191
–0.10	3.3%	99	3.2%	93
+0.10	–3.1%	–93	–3.0%	–87
+0.20	–5.9%	–180	–5.9%	–170
+0.25	**–7.3%**	**–221**	**–7.3%**	**–209**
+0.30	–8.7%	–262	–8.6%	–247
+0.40	–11.2%	–340	–11.2%	–321

Capital commitments

As at 31 December 2019, capital commitments resulting from concluded contracts for future development and construction investments in investment properties totalled CHF 9.2 million (prior year: CHF 46.7 million). There are also notarised purchase agreements for investment properties representing a value of more than CHF 100.0 million.

6. Profit on sale of investment properties

Accounting principles
Profit on disposal of investment properties corresponds to the difference between the net proceeds and the fair value recognised and attributable sales costs (e.g. notary and land registry fees). Disposals are recognised on the date when control is transferred, which usually corresponds to the date of entry in the land register.

Profit on disposal can be broken down as follows:

TCHF	2019	2018
Sales proceeds investment properties	22,550	200,000
Carrying amount	–16,266	–169,717
Release of deferred costs from previous years' sales	116	831
Sales costs	–24	–2,088
Profit on disposal of investment properties	**6,376**	**29,026**

In the prior year, CHF 22.0 million of the sales proceeds were still included in receivables and therefore had no cash effect. These receivables were paid in January 2019.

The following property was sold in the year under review:

Investment property	Category of investment property
Zurich, Treichlerstr. 10/Dolderstr. 16	Commercial property

Development projects and trading properties

Significant discretionary decisions and estimation uncertainty
For projects where an enforceable contract has been concluded with a customer, there is a project cost estimate that takes into account total costs and sales proceeds. Sales proceeds are specified in or ascertainable from the enforceable contract, while the total costs are based on quotes or concluded contracts with suppliers, past experience, project specifications for the properties, benchmark values for construction costs and other relevant factors such as the planned construction period. Decisions are also made as to whether sales are recorded over time or at a specific point in time and how construction progress is to be measured. Assumptions and estimates must be made for values that are not contractually agreed or where multiple variants could materialise. In the event of differences between assumptions/estimates and actual values, adjustments to the consolidated financial statements may be necessary.
The projects are regularly reviewed with regard to considerations including construction progress, amendments to contracts, compliance with budgets, margin achievement, delays and legal risks. Changes to certain conditions are taken into account in the corresponding balance sheet or income statement items (e.g. receivables, contract assets or contract liabilities in the balance sheet and revenues or expenses in the income statement). Expected losses are recognised immediately in full.

For projects where an enforceable contract has not yet been concluded with a customer, a project cost estimate is prepared, taking into account total costs and sales proceeds. Budgeted overall costs and planned sale prices are determined on the basis of various factors and assumptions. These include past experience, project specifications for the properties, benchmark values for construction costs and other relevant factors such as the planned construction period. Financial forecasts are reviewed on an ongoing basis and adjusted where necessary.
If actual construction costs and sales proceeds differ from the planned figures or if new findings during the construction period make an adjustment of the project cost estimate necessary, carrying amounts may need to be adjusted, i.e. by creating or adjusting valuation allowances for loss-making projects.

7. Profit on development projects and sale of trading properties

Accounting principles

Income from developments (properties)
Income from developments (properties) relates to the provision by Mobimo of services ranging from pure development services to turn-key real estate based on a third-party contract. This corresponds to the revenue of the Development for Third Parties business area. Depending on the structure of the engagement, either Mobimo initially owns the plot to be built on then sells it to the client or the plot is already owned by the third party. The revenue of Development for Third Parties is recognised on the basis of contractually agreed services and conditions. For such engagements the various service components need to be analysed and assessed to determine whether the individual components (e.g. land sale and building management/project implementation) each constitute an individual service for the buyer or need to be combined. If the service components are combined, revenue is recognised over time based on the percentage of completion (PoC). The percentage of completion is normally calculated on the basis of the construction progress. This in turn is based on an assessment by the project manager and the management, which is plausibility-tested and checked by comparing costs already incurred and yet to be incurred, taking into account accruals for services already received but not yet invoiced. If the service components are broken down into land sale and separate services, the revenue from the land sale is recognised at a point in time. Revenue from the separate services is recognised over time based on the percentage of completion (PoC). Payments are made based on the contractual terms.

Income from sale of trading properties
Sales of residential property (primarily apartments, but also other facilities such as parking spaces) are reported under sale of trading properties (generally to individuals, rarely to legal entities). Sales of properties held as building plots and completed properties for resale are also shown under sale of trading properties. In the case of income from the sale of condominiums, the revenue for each unit is recognised from the time the condominium unit is notarised. Once the contract has been notarised, Mobimo is no longer able to make an alternative apartment available to the buyer without breaching the current contract. The notarised purchase contract also fulfils the criterion of an enforceable right to payment for work already performed to date. Revenue for condominiums under a notarised purchase contract must therefore be recognised based on the progress of construction if the company has reasonable knowledge that the contract is very likely to be fulfilled by both parties as part of the agreement with the buyer. 20% of the purchase price is generally due from the buyer upon notarisation. At the time when ownership is transferred, the progress of construction is usually 100% and the outstanding purchase price becomes due.

Profit on development projects and sale of trading properties is made up of the following:

TCHF	2019	2018
Income from development projects	32,466	37,672
Income from sale of trading properties	29,208	24,490
Total income from development projects and sale of trading properties	**61,674**	**62,162**
Direct expense development projects	–30,081	–31,851
Construction costs of trading properties sold	–27,331	–23,008
Changes in valuation allowances	–1,241	–1,097
Total direct expenses from development projects and sale of trading properties	**–58,653**	**–55,956**
Profit on development projects and sale of trading properties	**3,021**	**6,206**

Income from developments comprises income from projects for third-party investors (PoC). Income from sale of trading properties includes nine completed apartments in the Aarau, Torfeld 4 development and one completed apartment in Zurich, Turbinenstrasse that were notarised during the financial year. The remaining 13 parking spaces at Regensdorf, im Pfand were also successfully sold, which enabled the valuation allowance for these parking spaces to be reversed. The decision was taken that Mobimo would not realise the Schaffhausen, Fischerhäuserstrasse and Lachen, Zürcherstrasse condominium projects itself, but would sell them. In addition, the Güttingen, Hauptstrasse project and the St. Moritz, Via Maistra property were sold.

8. Contract assets and liabilities

Accounting principles

Entitlements resulting from the recognition of sales over time based on the percentage of completion (PoC) are recognised in the balance sheet in accordance with the net principle. For each project, the entitlements are offset against the advance payments already due (order balances). Positive net positions are included in the balance sheet item "Contract assets" and negative net positions in the balance sheet item "Contract liabilities".

The contract assets and liabilities changed as follows in the year under review:

	Contract asset 2019	Contract liability 2019
At 31 December 2018	**17,450**	**5,126**
Revenue recognised that was included in the contract liability balance at the beginning of the period		–4,585
Revenue recognised that was not included in the contract liability balance at the beginning of the period	16,505	–18,654
Changes due to cash received	–7,965	23,411
Transfers to trade receivables	–10,047	
Other changes	–90	0
At 31 December 2019	**15,854**	**5,297**

The following changes were made in the previous year:

	Contract asset 2018	Contract liability 2018
At 1 January 2018	**67,172**	**4,561**
Revenue recognised that was included in the contract liability balance at the beginning of the period		–3,685
Revenue recognised that was not included in the contract liability balance at the beginning of the period	42,174	–12,745
Changes due to cash received	–64,562	16,994
Transfers to trade receivables	–25,992	
Other changes	–1,342	0
At 31 December 2018	**17,450**	**5,126**

The following table shows the year in which sales are expected from contractual obligations that had not yet been fulfilled or had only been partially fulfilled as at the reporting date:

TCHF	Expected income from development projects 2019	Total 2019	Expected income from development projects 2018	Total 2018
Expected within 1st year	49,235	49,235	42,197	42,197
Expected within 2nd year	5,850	5,850	42,244	42,244
Total	**55,085**	**55,085**	**84,441**	**84,441**

9. Trading properties

Accounting principles

Trading properties are development properties and new builds where Mobimo assumes the realisation of residential property and subsequently sells it. Trading properties also include properties that Mobimo has acquired under projects for Development for Third Parties and that it intends to sell to third-party investors in the future and other properties acquired for resale. Trading properties are valued at the lower of cost or fair value. With loss-making properties, the final loss is recognised immediately.

Plots that are already owned by Mobimo and advance payments for notarised land purchases, as well as the development costs incurred, are classified as land/development projects if the project is expected to be realised but construction work has not yet begun.
Properties under construction are those for which construction has not yet been completed and for which no sales (notarisations) of condominiums have yet taken place.
Properties that are structurally complete or completed properties that have been acquired for immediate resale are classified as completed real estate. Condominiums for sale are classified as completed real estate at the latest upon their first transfer of ownership, with any costs still outstanding being recognised at this point in time. Development properties are properties that have been acquired with the intention of developing them and selling them on to third parties but that are still being let as at the reporting date. A property is reclassified if it is demolished or converted.

The treatment of right-of-use assets recognised in trading properties is explained in Note 2 under Effects from the first-time application of IFRS 16.

The portfolio of properties as recognised in the balance sheet comprises the following:

TCHF	31.12.2019	31.12.2018
Land/development projects	149,404	70,623
Properties under construction	17,494	0
Completed real estate and development properties	92,434	124,238
Total trading properties	**259,332**	**194,861**

The portfolio of building plots/development projects changed as follows in the reporting year:
The Arlesheim, Bruggweg 60, Maur, Dorfacherstrasse and Oberägeri, Lutisbachweg properties were acquired with the intention of realising condominium apartments on them. In addition, the acquisition processes for the Herrenschwanden, Mettlenwaldweg 19, Châtel-St-Denis, Chemin de la Chaux and Zurich, Allmendstrasse 92 – 96 projects, all already included in the balance sheet, were completed with the transfer of ownership taking place and the final payments becoming due. In the 2019 financial year, voters in Köniz approved the transfer of land covered by building rights. The Köniz, Niederwangen Riet Ost development project is to be partly developed in collaboration with investors. The Schaffhausen, Fischerhäuserstrasse 61, Lachen, Zürcherstrasse 19 and Güttingen, Hauptstrasse projects were sold rather than being pursued further.

After obtaining building permission, the Meggen, Gottliebenrain 5/7 property was reclassified from completed real estate and development properties to properties under construction. 30 apartments and six commercial spaces are planned for this condominium.

Within completed real estate and development properties, the final nine apartments in Aarau, Torfeld 4 and one apartment in Zurich, Turbinenstrasse (Mobimo Tower) were notarised and sold in the year under review. Furthermore, the decision was made to discontinue to St. Moritz project and to sell the property. The St. Erhard, Längmatt and Cham, Brunnmatt 4/6/8 properties were reclassified to investment properties, while the Regensdorf, Althardstrasse 30 property was transferred from investment properties to development properties. The plan is to further develop this property in collaboration with an investor. The Dübendorf, Birchlerstrasse properties, along with the Zurich, Letzigraben 114/116 property transferred with the purchase of Kumag AG (see Note 32), were acquired as development properties.

Valuation allowances for trading properties totalled CHF 0.6 million (prior year: CHF 17.3 million). The carrying amount of these properties/condominium units is CHF 7.2 million (prior year: CHF 55.3 million).

The right-of-use assets from trading properties changed as follows in the year under review:

TCHF	Completed real estate and development properties	2019 Total
Net carrying amount of right-of-use assets at 31 December 2018	**0**	**0**
Impact of changes in accounting policies	476	476
Net carrying amount of right-of-use assets at 1 January 2019	**476**	**476**
Depreciation	–7	–7
Transfers to investment properties	–470	–470
Net carrying amount of right-of-use assets at 31 December 2019	**0**	**0**

Financing and risk management

10. Financial result

Accounting principles
Interest on loans taken out to finance construction projects (trading properties and investment properties under construction) is capitalised over the construction period.

All other borrowing interest is recognised as an expense in the income statement using the effective interest method.

Current interest payments in relation to concluded interest rate swaps are recognised in interest expense. Changes in the fair value of interest rate swaps not classified as a cash flow hedge are reported in income from or cost of financial instruments (derivatives). Any ineffective portions of interest rate swaps classified as a cash flow hedge are reported under cost of financial instruments (derivatives).

The financial result in the year under review can be broken down as follows:

TCHF	2019	2018
Financial income		
Interest on bank and other deposits	90	23
Interest on loans and debt instruments	109	1
Dividend income from financial assets	147	147
Market value adjustment of financial assets	78	68
Income from financial instruments (derivatives)	2,129	1,923
Total financial income	**2,553**	**2,162**
Financial expense		
Interest expense on financial liabilities	–29,232	–30,156
Interest expense on lease liabilities	–232	0
Cost of financial instruments (derivatives)	–178	–194
Other financial charges	–1,269	1,183
Total financial expense	**–30,910**	**–29,168**
Total financial result	**–28,357**	**–27,007**

During the year under review, no ineffective portions were recorded under cost of financial instruments (derivatives), as was also the case in the previous year.
In 2019, a total of CHF 1.3 million (prior year: CHF 3.2 million) in interest on building loans was capitalised under trading properties, development properties and investment properties under construction. The average rate of interest for the capitalised interest was 1.91% (prior year: 2.01%). Other financial expenses includes a valuation allowance for financial assets in the amount of the default losses expected over the term, which is CHF 1.0 million (previous year: reversal of CHF 1.5 million).

11. Financial and lease liabilities and derivative financial instruments

Accounting principles
Financial liabilities
Financial liabilities consist of outstanding bonds and mortgage-secured bank loans.
A long-term financial liability is one on which the agreed residual maturity is longer than 12 months. All other agreements are classified as short-term, including amortisation payments that are due within 12 months of the reporting date.
At initial recognition, financial liabilities are recognised at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost, with the difference between the amount to be repaid and the carrying amount being amortised over the term using the effective interest method.
Lease liabilities
The recognition and measurement of lease liabilities is explained in Note 2 under Effects from the first-time application of IFRS 16.
Derivative financial instruments
Mobimo uses derivative financial instruments (e.g. interest rate swaps and forward rate agreements) to hedge the interest rate risks of financial liabilities.
Derivative financial instruments are measured at fair value at initial recognition and thereafter. Gains and losses from adjustments to fair values are treated as follows:
The hedging of interest rate risk on financial liabilities is classified as a cash flow hedge under certain circumstances. The effective portion of the change in the fair values of derivatives is recognised in other comprehensive income (equity) and not recognised in profit or loss. The ineffective portion is immediately recognised in the income statement. As soon as the hedged transactions (interest payments) take place, cumulative unrealised gains and losses are transferred to the income statement and recognised in the financial result.
Changes in the fair values of all other derivatives are recognised in profit or loss in the financial result.

Financial and lease liabilities and derivative financial instruments changed as follows in the year under review:

TCHF	1.1.2019	Changes with cash effect		Changes with no cash effect					31.12.2019
		Inflow	Re-payment	Inflow	Re-payment	Amorti-sation	Fair value adjust-ments	Reclassifi-cation	
Fixed-rate mortgage amortisation, due within 12 months	3,947	0	–3,947	0	0	0	0	3,644	3,644
Mortgages due for extension or repayment within 12 months	83,902	75,600	–97,800	0	0	–43	0	116,717	178,376
Total current financial liabilities	**87,848**	**75,600**	**–101,747**	**0**	**0**	**–43**	**0**	**120,361**	**182,020**
Mortgages	724,253	80,200	0	250	0	–1,006	0	–120,361	683,336
Bonds	728,586	0	0	0	0	446	0	0	729,033
Total non-current financial liabilities	**1,452,840**	**80,200**	**0**	**250**	**0**	**–560**	**0**	**–120,361**	**1,412,368**
Total financial liabilities	**1,540,688**	**155,800**	**–101,747**	**250**	**0**	**–603**	**0**	**0**	**1,594,388**
Current lease liabilities	262	0	–276	21	0	0	0	290	297
Non-current lease liabilities	4,139	0	0	46	0	0	0	–290	3,895
Total lease liabilities	**4,400**	**0**	**–276**	**67**	**0**	**0**	**0**	**0**	**4,192**
Interest rate swaps through profit and loss	162	0	0	0	0	0	–773	717	105
Total current derivative financial instruments	**162**	**0**	**0**	**0**	**0**	**0**	**–773**	**717**	**105**
Interest rate swaps applying hedge accounting	23,011	0	0	0	0	0	7,421	0	30,432
Interest rate swaps through profit and loss	4,181	0	0	0	0	0	–1,355	–717	2,109
Total non-current derivative financial instruments	**27,192**	**0**	**0**	**0**	**0**	**0**	**6,066**	**–717**	**32,541**
Total derivative financial instruments	**27,353**	**0**	**0**	**0**	**0**	**0**	**5,293**	**0**	**32,646**

The following changes took place in the prior year:

TCHF	31.12.2017	Changes with cash effect		Changes with no cash effect					31.12.2018
		Inflow	Re-payment	Inflow	Re-payment	Amorti-sation	Fair value adjust-ments	Reclassifi-cation	
Fixed-rate mortgage amortisation, due within 12 months	5,059	0	–4,779	0	0	0	0	3,667	3,947
Mortgages due for extension or repayment within 12 months	34,506	0	–22,480	9,027	0	–111	0	62,959	83,902
Bond	164,856	0	–165,000	0	0	144	0	0	0
Total current financial liabilities	**204,421**	**0**	**–192,259**	**9,027**	**0**	**34**	**0**	**66,625**	**87,848**
Mortgages	734,675	18,800	–20,355	59,124	–433	–932	0	–66,625	724,253
Bonds	573,732	154,474	0	0	0	380	0	0	728,586
Total non-current financial liabilities	**1,308,407**	**173,274**	**–20,355**	**59,124**	**–433**	**–552**	**0**	**–66,625**	**1,452,840**
Total financial liabilities	**1,512,828**	**173,274**	**–212,614**	**68,151**	**–433**	**–519**	**0**	**0**	**1,540,688**
Interest rate swaps through profit and loss	22	0	0	0	0	0	–140	280	162
Total current derivative financial instruments	**22**	**0**	**0**	**0**	**0**	**0**	**–140**	**280**	**162**
Interest rate swaps applying hedge accounting	26,515	0	0	0	0	0	–3,504	0	23,011
Interest rate swaps through profit and loss	6,244	0	0	0	0	0	–1,783	–280	4,181
Total non-current derivative financial instruments	**32,758**	**0**	**0**	**0**	**0**	**0**	**–5,287**	**–280**	**27,192**
Total derivative financial instruments	**32,780**	**0**	**0**	**0**	**0**	**0**	**–5,427**	**0**	**27,353**

The increase in changes with no cash effect resulted primarily from the assumption of financial liabilities in the acquisition of Immobiliengesellschaft Fadmatt AG.

Financial liabilities

The following bonds are included under financial liabilities:

TCHF	1.625% bond (2014 – 2021)	0.875% bond (2018 – 2023)	1.875% bond (2014 – 2024)	0.75% bond (2017 – 2026)	Total
Net proceeds from issuance	197,967	154,474	149,452	225,119	727,012
Cumulative amortisation of issuance costs	1,333	28	225	–12	1,574
Carrying amount as at 1.1.2019	199,300	154,502	149,677	225,107	728,586
Amortisation of issuance costs	299	106	54	–12	446
Carrying amount as at 31.12.2019	199,599	154,607	149,731	225,096	729,033

Features	1.625% bond (2014 – 2021)	0.875% bond (2018 – 2023)	1.875% bond (2014 – 2024)	0.75% bond (2017 – 2026)
Volume:	CHF 200 million	CHF 155 million	CHF 150 million	CHF 225 million
Term:	7 years (19 May 2014 – 19 May 2021)	5 years (2 October 2018 – 2 October 2023)	10 years (16 September 2014 – 16 September 2024)	9 years (20 March 2017 – 20 March 2026)
Interest rate:	1.625% p.a., payable annually on 19 May, with the first payment on 19 May 2015	0.875% p.a., payable annually on 2 October, with the first payment on 2 October 2019	1.875% p.a., payable annually on 16 September, with the first payment on 16 September 2015	0.75% p.a., payable annually on 20 March, with the first payment on 20 March 2018
Effective rate of interest:	1.7921%	0.9562%	1.9264%	0.7550%
Listing:	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Swiss security no.:	24298406	39863345	25237980	35483611

Taking into account interest rate hedging, i.e. the maturities of the designated swaps are used instead of the maturities of the fixed advances, financial liabilities as at the reporting date comprised the following maturities:

TCHF	31.12.2019	31.12.2018
Due within 1st year	182,020	87,848
Due within 2nd year	258,413	120,132
Due within 3rd year	154,707	258,138
Due within 4th year	203,685	155,230
Due within 5th year	169,636	203,839
Due within 6th year	91,407	169,686
Due within 7th year	264,820	11,249
Due within 8th year	68,942	264,865
Due within 9th year	265	68,942
Due within 10th year	265	265
Due within 11th year and longer	200,230	200,495
Total financial liabilities	**1,594,388**	**1,540,688**

The average residual term of total financial liabilities is 5.3 years (prior year: 6.1 years).

Interest rate periods are as follows (composition until next interest rate adjustment/taking into account interest rate hedging):

TCHF	31.12.2019	31.12.2018
Up to 1 year	182,020	87,848
Up to 2 years	258,413	120,132
Up to 3 years	154,707	258,138
Up to 4 years	203,685	155,230
Up to 5 years	169,636	203,839
Over 5 years	625,928	715,501
Total financial liabilities	**1,594,388**	**1,540,688**

As at 31 December 2019, taking current interest rate swaps into account, CHF 1,532.5 million (prior year: CHF 1,528.5 million) was subject to fixed interest rates, with CHF 61.9 million (prior year: CHF 12.2 million) bearing variable rates. In addition to variable-rate mortgages and rollover mortgages, loans with a total maturity of less than one year (fixed advances) count as variable.

The average rate of interest for the period, taking interest rate swaps into account, was 1.82% (prior year: 2.01%).

Lease liabilities

The existing lease liabilities as at the balance sheet date relate primarily to building right interest for the St. Erhard, Längmatt, and Basel, Lyonstrasse 40 properties and to the rent for office premises in Küsnacht. The remaining obligations relate to third-party leases for premises, car park facilities and the hire of photocopiers.

The lease liabilities are offset by the following right-of-use assets:

TCHF	31.12.2019
Investment properties	2,140
Property, plant and equipment	1,851
Total net carrying amount of right-of-use assets	**3,991**

Derivative financial instruments

As at the reporting date, Mobimo held the following interest rate swaps to hedge interest rates:

TCHF	Nominal amount 2019	Carrying amount 2019	Market value adjustments 2019	thereof recog-nised in OCI	thereof recog-nised in profit or loss (financial income)
Interest rate swaps through profit and loss	20,800	105	612	0	612
Total current derivative financial instruments	**20,800**	**105**	**612**	**0**	**612**
Interest rate swaps applying hedge accounting	117,880	30,432	–7,421	–7,421	0
Interest rate swaps through profit and loss	34,000	2,109	1,355	0	1,355
Total non-current derivative financial instruments	**151,880**	**32,541**	**–6,066**	**–7,421**	**1,355**
Total derivative financial instruments	**172,680**	**32,646**	**–5,454**	**–7,421**	**1,967**

An interest rate swap without the application of hedge accounting with a nominal value of CHF 10.5 million expired in the year under review. The fair value adjustment of CHF 0.2 million was recognised in the income statement.

TCHF	Nominal amount 2018	Carrying amount 2018	Market value adjustments 2018	thereof recog-nised in OCI	thereof recog-nised in profit or loss (financial income)
Interest rate swaps through profit and loss	10,500	162	140	0	140
Total current derivative financial instruments	**10,500**	**162**	**140**	**0**	**140**
Interest rate swaps applying hedge accounting	118,145	23,011	3,504	3,504	0
Interest rate swaps through profit and loss	54,800	4,181	1,783	0	1,783
Total non-current derivative financial instruments	**172,945**	**27,192**	**5,287**	**3,504**	**1,783**
Total derivative financial instruments	**183,445**	**27,353**	**5,427**	**3,504**	**1,923**

The cash flow hedge reserve changed as follows in the year under review:

TCHF	Hedging reserve 2019	of which cash flow hedge reserve from ongoing inter-est hedges	of which cash flow hedge reserve from interest hedges for which hedge accounting is no longer applied	Hedging reserve 2018	of which cash flow hedge reserve from ongoing inter-est hedges	of which cash flow hedge reserve from interest hedges for which hedge accounting is no longer applied
At 1 January	**19,461**	**19,189**	**272**	**21,060**	**20,669**	**391**
Loss/profit on financial instruments for hedge accounting	7,421	7,421		–3,504	–3,504	
Reclassification adjustments for amounts recognised in income statement	–134		–134	–152		–152
Tax effects	–1,177	–1,192	15	2,057	2,025	32
Total derivative financial instruments	**25,572**	**25,419**	**153**	**19,461**	**19,189**	**272**

The "cash flow hedge reserve from interest rate hedges for which hedge accounting is no longer applied" arose from hedging using a CHF 10 million interest rate swap on which hedge accounting was discontinued during 2016 due to it being highly ineffective. Accumulated changes in valuation that are recognised in other comprehensive income until hedge accounting is discontinued are rebooked to the income statement for the residual term of the interest rate swap. In the year under review, this effect was CHF –0.2 million (prior year: CHF –0.2 million). As at the reporting date, the cash flow reserve still contained CHF 0.2 million (prior year: CHF 0.3 million) of the originally recognised ineffective portions.

The interest rate swaps with hedge accounting comprised the following maturities as at the reporting date:

	Nominal amount in TCHF 2019	Average fixed interest rate in % 2019	Nominal amount in TCHF 2018	Average fixed interest rate in % 2018
Due within 1 – 5 years	1,325	1.8%	1,325	1.8%
Due within 6 – 10 years	1,325	1.8%	1,325	1.8%
Due within 11 – 15 years	65,230	1.8%	65,495	1.8%
Due within 16 – 20 years	50,000	1.8%	50,000	1.8%
Interest rate swaps applying hedge accounting	**117,880**	**1.8%**	**118,145**	**1.8%**

12. Pledged assets/assets not freely disposable

The carrying amount of pledged assets is as follows:

TCHF	2019	2018
Trade receivables	0	178
Other receivables	0	13,919
Trading properties	8,638	7,987
Investment properties and investment properties under construction	2,412,530	2,448,820
Owner-occupied properties	12,669	12,962
Carrying amount of pledged assets	**2,433,837**	**2,483,866**

This is the carrying amount of those assets that are pledged either in full or in part for the purpose of securing bank mortgage loans and free limits. These assets were encumbered with mortgages totalling CHF 865.3 million (prior year: CHF 812.1 million) (see Note 11).

13. Cash and cash equivalents

Accounting principles

Cash comprises cash in hand, call deposits with banks, fixed-term deposits and short-term money market investments with a term of up to 90 days from the time of acquisition. These are recognised at nominal value.
Cash is covered by the provisions for recognising valuation allowances under IFRS 9. Mobimo did not identify any material need for valuation allowances, and hence none were recognised.

Cash comprises cash holdings and current account deposits of CHF 35.8 million (prior year: CHF 143.6 million) and money market account deposits of CHF 10.0 million (prior year: CHF 10.0 million) held at Swiss banks. The maximum notice period for withdrawals from money market accounts is 35 days. The average rate of interest applicable to cash was 0.00% (prior year: 0.00%).

14. Equity

Accounting principles

Share capital

Share capital is reported as equity, since there is no repayment obligation and no dividend guarantee. Transaction costs incurred during a capital increase that can be attributed directly to the issuing of new shares are deducted from the amount of the capital increase less associated income tax. Dividends are reported as liabilities as soon as they are approved by the General Meeting and are thus due.

Treasury shares

The costs of the acquisition (purchase price and directly attributable transaction costs) of treasury shares are offset against equity. Shares that have been bought back are classified as treasury shares and deducted from equity as a negative item.

Equity holding

Changes in the equity holding can be summarised as follows:

No. of shares	Shares issued	Treasury shares	Shares outstanding
At 1.1.2018	**6,218,170**	**–501**	**6,217,669**
Share-based payments to Board of Directors and management		2,953	2,953
Issue of shares from authorised capital for aquisition of Immobiliengesellschaft Fadmatt AG	383,377		383,377
Acquisition of treasury shares		–7,385	–7,385
At 31.12.2018/1.1.2019	**6,601,547**	**–4,933**	**6,596,614**
Share-based payments to Board of Directors and management		1,601	1,601
Acquisition of treasury shares		–1,050	–1,050
At 31.12.2019	**6,601,547**	**–4,382**	**6,597,165**

Capital structure

Capital at 31 December 2019	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	154,476	6,601,547	23.40
Authorised capital (until 27 March 2020)	max. 19,109	816,623	23.40
Conditional capital	max. 759	32,446	23.40

Capital at 31 December 2018	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	154,476	6,601,547	23.40
Authorised capital (until 27 March 2020)	max. 19,109	816,623	23.40
Conditional capital	max. 759	32,446	23.40

There was no change in share capital in the year under review. A nominal value reduction of CHF 34.8 million (CHF 5.60 per share, 6,218,170 shares) was carried out during the year under review. In connection with the purchase of Immobiliengesellschaft Fadmatt AG (see Note 32), 383,377 new shares were issued in August 2018 by means of an authorised capital increase. This increased the share capital by CHF 9.0 million and the capital contribution reserves by CHF 84.6 million. These newly issued shares were used to settle part of the purchase price, which is why this constituted a share-based payment within the meaning of IFRS 2.

Authorised share capital is available permitting the Board of Directors to increase the company's share capital by a maximum of CHF 19.1 million within two years (up to March 2020) at most via the issue of up to 816,623 registered shares, to be fully paid up, with a nominal value of CHF 23.40 per share.

There is also conditional share capital of a maximum of CHF 0.8 million for the issue of up to 32,446 fully paid-up registered shares with a nominal value of CHF 23.40 for the subscription rights created after 5 May 2010 under an employee share option programme. Shareholders' subscription rights are excluded.

Dividends/distribution

The Annual General Meeting of 2 April 2019 approved a distribution from the capital contribution reserves of CHF 10.00 per share for the 2018 financial year. This distribution of CHF 10.00 per share was paid out on 8 April 2019. The Board of Directors plans to propose a capital reduction of CHF 10.00 per share in form of a nominal value reduction on the upcoming General Meeting of 31 March 2020. Presumably the distribution will take place end of June after completion of the capital reduction proceeding.

Over the past five years, the distribution yield (capital contribution or nominal value repayment), taking account of the planned distribution for the financial year, has averaged about 4.0% (prior year: 4.3%).

15. Financial risk management

Through its activities, Mobimo is exposed to various financial risks. These can be summarised as credit risks, liquidity risks and market risks. Of the various market risks, interest rate risk is particularly significant.

Risk management is assured by Internal Controlling. Internal Controlling follows the principles of Mobimo's risk management concept, which are monitored by the Audit and Risk Committee.

The risk management principles and the processes applied are subject to regular review in order to take account of changes in market conditions and in the activities of the Group. The aim is to use existing training and management guidelines and processes to maintain a disciplined and constructive control environment in which all employees can fulfil their function and exercise their duties. Risk management is part of the processes that make up the integrated management system.

The following paragraphs provide an overview of the exposure to each of the individual financial risks, together with information on the objectives, policies and processes for measuring, monitoring and hedging risks and on capital management within the Group. Further information on financial risks can be found elsewhere in the Notes.

Credit risk

Credit risk is the risk that Mobimo could suffer financial losses if a client or a counterparty to a financial instrument fails to fulfil their contractual obligations. Credit risk arises primarily in connection with trade receivables, contract assets and cash.

In order to minimise credit risk in connection with cash, short-term bank deposits are held with first-rate institutions. Trade receivables are receivables from property sales, from rental agreements and from developments (properties). Property sales are exposed to only limited credit risk, since these sales are based on a publicly certified purchase agreement that is regularly secured via an irrevocable promise to pay. With rental agreements, credit risk is reduced via creditworthiness checks and by monitoring the age structure of amounts outstanding. Deposits or bank or insurance guarantees of three to six times the monthly rent are also demanded. This collateral totalled CHF 44.1 million at the end of the year (prior year: CHF 20.5 million). Receivables from developments (properties) and the contract assets are either covered by promises to pay or relate to institutional investors with good credit quality. The credit risk associated with receivables from developments (properties) and contract assets is therefore considered to be low. Given that losses are expected to be immaterial, Mobimo has not recognised a valuation allowance. For financial assets, the credit risk was assessed and a corresponding valuation allowance recognised (see Note 28).

The maximum credit risk exposure corresponds to the carrying amounts of the individual financial assets. There are no guarantees or similar obligations that could lead to an increase in risk in excess of the carrying amounts.

As at the reporting date, the maximum credit risk exposure was as follows:

TCHF	Carrying amounts 2019	Carrying amounts 2018
Cash (bank deposits)	45,823	153,556
Trade receivables	13,047	34,842
Other receivables[1]	2,553	14,309
Contract assets	15,854	17,450
Accrued income and prepaid expenses[2]	1,630	2,303
Financial assets (receivables and loans)	2,667	400
Total	**81,574**	**222,860**

1 Not including tax receivables, receivables in connection with social security and advance payments.
2 Not including costs paid in advance.

Liquidity risk

Liquidity risk is the risk that Mobimo will not be able to meet its financial obligations when they become due. Investment properties are refinanced where necessary via medium to long-term loans, and residential development properties via short-term loans. If required, Mobimo can also obtain financing by issuing bonds. Liquidity is managed via a liquidity planning tool, in combination with a mortgage database.

The table below sets out the contractual maturities (including interest) of the financial liabilities held by Mobimo. Future variable rates of interest have been estimated using the yield curve as at the reporting date.

TCHF	Carrying amount 2019	Contractual cash flows	1 month or less	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables[1]	5,986	5,986	5,986				
Other payables[2]	4,345	4,345	3,745	600			
Accrued expenses and deferred income[3]	28,057	28,057		28,057			
Financial liabilities	1,594,388	1,715,286	2,652	62,919	139,840	839,903	669,973
Lease liabilities							
Lease liabilities	4,192	10,977	43	86	386	1,403	9,058
Derivative financial liabilities							
Interest rate swaps	32,646	32,253	0	1,189	3,570	11,498	15,996
Total	**1,669,614**	**1,796,904**	**12,425**	**92,850**	**143,797**	**852,804**	**695,027**

1 Not including rents and ancillary costs paid in advance.
2 Not including tax payables and payables in connection with social security.
3 Not including deferred income and unused annual leave.

TCHF	Carrying amount 2018	Contractual cash flows	1 month or less	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables[1]	7,292	7,292	7,292				
Other payables[2]	4,115	4,115		4,115			
Accrued expenses and deferred income[3]	29,677	29,677		29,677			
Financial liabilities	1,540,688	1,684,514	2,652	37,773	69,412	806,077	768,601
Derivative financial liabilities							
Interest rate swaps	27,353	28,829	0	1,228	4,177	11,996	11,427
Total	**1,609,126**	**1,754,428**	**2,652**	**80,086**	**73,590**	**818,073**	**780,028**

1 Not including rents and ancillary costs paid in advance.
2 Not including tax payables and payables in connection with social security.
3 Not including deferred income and unused annual leave.

Market risk

Market risk is the risk that changes in market prices such as exchange rates, interest rates and the price of financial instruments could have an impact on the profit from and fair value of financial instruments held by Mobimo.

The aim behind the management of market risk is to monitor and control it to ensure that it does not exceed certain levels.

Currency risk

The Group is only active in Switzerland, and almost all business is transacted in Swiss francs.

Interest rate risk

Interest rate risk can be broken down into the interest-rate related risk of a change in fair value, i.e. the risk that the fair value of a financial instrument will change as a result of fluctuations in market interest rates, and an interest rate-related cash flow risk, i.e. the risk that future interest payments will change as a result of fluctuations in market interest rates.

A description of the interest-bearing financial instruments and sensitivity analyses of the two components of interest rate risk are provided below.

The Group's cash is used to reduce variable-rate mortgages or is invested on a short-term basis.

The interest on financial liabilities relates to bonds and to loans for the financing of investment properties and trading properties. With investment properties, interest rate risk is generally addressed via the conclusion of long-term fixed-rate mortgage agreements. Where necessary, derivative financial instruments are also used to hedge interest rates. When applying cash flow hedge accounting, Mobimo determines the existence of an economic relationship between the derivative financial instruments and the hedged item based on the underlying conditions (reference interest rate, term, maturity, interest rate adjustment dates and nominal value). Mobimo applies a hedging ratio of 1:1 in all cases.

As at the reporting date, there was no construction financing for investment properties (also none in the prior year).

Based on its market assessment, Mobimo has set itself the goal of maintaining the average residual term to maturity of financial liabilities as long-term, via long-dated bonds, mortgages with long terms or derivative financial instruments.

Further information on the interest rate profile of financial liabilities, bonds, forward rate agreements and interest rate swaps can be found in Note 11.

Fair value sensitivity analysis for fixed-rate financial instruments

Mobimo has no fixed-rate financial assets or liabilities that are classified at fair value through profit or loss. Fixed-rate financial instruments are measured at amortised cost. With these positions, therefore, a change in market interest rates would have no impact on the profit for the year.

Mobimo may hold forward rate agreements and interest rate swaps measured at fair value. Changes in the fair value of interest rate swaps not held for hedge accounting purposes are recognised in the financial result and therefore have a direct impact on the profit for the year. Changes in the fair value of financial instruments used for hedge accounting purposes are recognised directly in other comprehensive income.

An increase of 100 basis points in the interest rate would have increased the Group result by CHF 0.4 million (prior year: CHF 1.1 million) as a result of changes in the fair value of swaps not held for hedge accounting purposes. These changes in the fair value of swaps held for hedge accounting purposes would have increased other comprehensive income (equity) by CHF 17.4 million (prior year: CHF 18.0 million). An equivalent reduction in the interest rate would have reduced the Group result and other comprehensive income by a similar amount. This analysis is based on the assumption that all other variables remain unchanged.

Cash flow sensitivity analysis for variable-rate financial instruments

Mobimo's variable-rate financial liabilities are exposed to interest rate-related cash flow risk. These liabilities generally bear interest at three-month Libor plus a margin. Of the variable-rate financial liabilities outstanding as at the reporting date, CHF 117.8 million (prior year: CHF 118.1 million) were hedged using interest rate swaps. A change in the interest rate therefore results in a change in the fair value of the interest rate swaps (see Note 11). For the remaining CHF 61.9 million (prior year: CHF 12.2 million) of variable-rate financial liabilities and for cash, an increase of 100 basis points in the interest rate would have had only a minor impact on the Group result given the negative interest rate situation. This analysis is based on the assumption that all other variables remain unchanged.

Fair values

The carrying amounts in the annual financial statements for cash, trade receivables, other current receivables, current financial assets (time deposits) and current liabilities are very close to the fair values given the short terms involved.

Interest rate swaps are recognised at fair value in the balance sheet as at the reporting date. Fair value is the present value of the forward contract.

The table below shows financial instruments carried at fair value, by measurement method, as at the reporting date. For an explanation of the individual levels, see Note 5 Investment properties.

31 December 2019	Level 1	Level 2	Level 3
Financial assets (measured at fair value through profit or loss)	0	0	2,379
Derivative financial instruments	0	32,646	0

31 December 2018	Level 1	Level 2	Level 3
Financial assets (measured at fair value through profit or loss)	0	0	2,301
Derivative financial instruments	0	27,353	0

Mobimo does not hold any financial instruments carried at fair value that would be classified as Level 1.

Level 2 fair values for derivative financial instruments are based on valuations by the counterparty (banks). The plausibility of these counterparty valuations is checked by comparing them with calculations in which the expected future cash flows are discounted using the market interest rate.

Level 3 fair values of financial assets (measured at fair value through profit or loss) are based on a DCF valuation.

For fixed-rate financial liabilities, fair value is the time value of the future cash flows, discounted to the reporting date using the market interest rate. Rates of interest for discounting future cash flows are based on money and capital market rates as at the time of measurement plus an adequate interest rate spread of between 71 and 110 basis points (prior year: 0.80%). The discount rates applied as at 31 December 2019 were between 0.45% and 1.27% (prior year: between 0.15% and 1.58%). The fair value of bonds is the closing price on the exchange as at the reporting date. The following table shows a comparison between the carrying amounts and the fair values of the interest-bearing financial liabilities as at the reporting date.

TCHF	Carrying amount 31.12.2019	Fair value 31.12.2019	Carrying amount 31.12.2018	Fair value 31.12.2018
Mortgages (Level 2)	865,356	910,855	812,102	859,990
Bonds (Level 1)	729,033	761,808	728,586	742,515
Total	**1,594,388**	**1,672,662**	**1,540,688**	**1,602,505**

Categories of financial instruments

The table below shows the carrying amounts of all financial instruments by category:

TCHF	Carrying amount 2019	Carrying amount 2018
Financial asset measured at amortised cost		
Cash	45,823	153,556
Trade receivables	13,047	34,842
Other receivables[1]	2,553	14,309
Accrued income and prepaid expenses[2]	1,630	2,303
Financial assets (term deposits and loans)	2,667	400
Total financial assets measured at amortised cost	**65,720**	**205,409**
Financial assets measured at fair value through profit or loss		
Financial assets (non-consolidated equity investments)	2,379	2,301
Total financial assets measured at fair value through profit or loss	2,379	2,301
Financial liabilities measured at amortised cost		
Trade payables[3]	5,986	7,292
Other payables[4]	4,345	4,115
Accrued expenses and deferred income[5]	28,057	29,677
Financial liabilities	1,594,388	1,540,688
Lease liabilities	4,192	0
Total financial liabilities measured at amortised cost	**1,636,968**	**1,581,773**
Financial liablities measured at fair value through profit or loss[3]		
Derivative financial instruments	2,214	4,343
Financial liabilities held for hedging purposes		
Derivative financial instruments	30,432	23,011

1 Not including tax receivables and receivables in connection with social security and advance payments.
2 Not including costs paid in advance.
3 Not including rents and ancillary costs paid in advance.
4 Not including tax payables and payables in connection with social security.
5 Not including deferred income taxes and unused annual leave.

Capital management

The Board of Directors seeks to ensure a solid capital base. Under the investment guidelines, the equity ratio must be above 40%. With regard to its capital structure, Mobimo aims to achieve long-term net gearing (ratio of net debt to shareholders' equity) of a maximum of 150%.

Some of the contracts concluded with lenders contain clauses concerning minimum capitalisation (financial covenants). The key figures used are the equity ratio, net gearing and interest coverage factor. These were complied with without exception during the reporting period.

The key figures as at the reporting date are as follows:

TCHF	31.12.2019	31.12.2018
Equity	1,532,256	1,513,509
Equity and liabilities	3,450,775	3,365,174
Equity ratio	**44.4%**	**45.0%**
Current financial liabilities	182,020	87,848
Non-current financial liabilities	1,412,368	1,452,840
Cash	–45,823	–153,556
Net financial debt	**1,548,566**	**1,387,132**
Equity	1,532,256	1,513,509
Net gearing	**101.1%**	**91.7%**

Personnel

16. Personnel expenses

Personnel expenses can be broken down as follows:

TCHF	2019	2018
Salaries	–19,615	–18,643
Profit-sharing (management/employees)	–1,405	–1,911
Social security contributions	–2,021	–1,889
Defined contribution plans	–43	–31
Defined benefit plans	–2,306	–4,066
Compensation for Board of Directors	–1,048	–1,200
External training and education costs	–178	–254
Other personnel expenses	–2,311	–2,372
Total personnel expenses	**–28,928**	**–30,366**
Headcount at 31 December (full-time basis)	161.5	157.3
Average headcount (full-time basis)	161.2	149.0

In the year under review, the Board of Directors and Executive Board were paid the following compensation, reported in personnel expenses:

TCHF	2019	2018
Members of the Board of Directors/Executive Board	**–4,880**	**–5,159**
Broken down as follows:		
› Salaries	–3,821	–4,020
› Share-based payments	–342	–450
› Social security contributions	–717	–689

Further details of Board of Directors and Executive Board remuneration can be found in Note 18.

17. Employee benefit obligation

Accounting principles

Liabilities from defined benefit plans are determined annually for each plan by setting the present value of the defined benefit obligation using the projected unit credit method. The discount rate used for the calculation is based on the interest rate of first-class industrial bonds with very similar maturities to the liabilities. The fair value of the plan assets is subsequently deducted. Pension costs, which are recognised in the income statement, comprise current service cost, past service cost, gains and losses on settlement, and net interest expense. Gains and losses on plan curtailments are a component of past service cost. Net interest expense corresponds to the discount rate multiplied by the net benefit obligation as at the beginning of the financial year. Any revaluations, comprising actuarial gains and losses resulting from changes in assumptions and experience adjustments as well as investment income, less amounts that are included in net interest expense, are recognised in other comprehensive income.

All Mobimo employees work in Switzerland. Pension plans in Switzerland are regulated by the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). For the purposes of mandatory (legal minimum) and non-mandatory employee benefit insurance, Mobimo is thus affiliated with group administration plans ("Sammelstiftungen") that are organised as independent legal entities in accordance with the BVG. Plan participants are insured against the economic consequences of old age, disability and death. The risks of death and disability under non-mandatory employee benefit insurance are fully reinsured. The various benefits are stipulated in regulations; the BVG lays down minimum benefits. Contributions to the pension plan are paid by the employer and employees. In the event of a deficit, various measures (such as adjusting pension benefits by changing the conversion rates or by raising the amount of current contributions) may be approved.

The BVG governs how any deficit reduction measures are to be borne jointly by the employees and the employer. As Mobimo may be consequently obliged to finance deficit reduction measures, employee benefit plans qualify as defined benefit plans under IAS 19.

The following table shows the change in net obligations in the year under review (liabilities are shown with a negative sign, contrary to the conventional presentation in the financial report):

TCHF	Plan assets at market values 2019	Present value of benefit obligations 2019	Net liability 2019	Plan assets at market values 2018	Present value of benefit obligations 2018	Net liability 2018
Balance at 1 January	**37,307**	**–45,784**	**–8,477**	**37,104**	**–43,157**	**–6,053**
Employer's current service cost		–2,335	–2,335		–1,723	–1,723
Past service cost		116	116		–2,311	–2,311
Interest income/interest expense	337	–385	–48	245	–277	–32
Total net benefit expense in the income statement	**337**	**–2,603**	**–2,266**	**245**	**–4,311**	**–4,066**
Return on plan assets (excluding interest income)	649		649	–1,859		–1,859
Actuarial (gains) losses						
› Effect of changes in financial assumptions		–4,282	–4,282		1,896	1,896
› Effect of experience adjustments		–20	–20		301	301
Total remeasurements staff pension schemes included in other comprehensive income	**649**	**–4,302**	**–3,652**	**–1,859**	**2,197**	**338**
Employer contributions	1,773		1,773	1,304		1,304
Employee contributions	1,350	–1,350	0	1,044	–1,044	0
Amounts paid	–1,851	1,851	0	–531	531	0
Balance at 31 December	**39,565**	**–52,188**	**–12,623**	**37,307**	**–45,784**	**–8,477**

The effect of changes in financial assumptions (increase of CHF 4.3 million) in the 2019 financial year is mainly attributable to the decrease in the discount rate from 0.85% to 0.30%. The prior year's decrease of CHF 1.9 million was mainly due to the increase in the discount rate that year from 0.65% to 0.85%.

The past service cost of CHF –2.3 million was mainly the result of the increase in retirement credits and the maximum insured salary as of 1 January 2019.

The expected employer contributions for the 2020 financial year are CHF 1.8 million (prior year: CHF 1.7 million).

Plan assets can be broken down into the following categories:

Asset classes	**Plan assets 2019 in %**	**Market values 2019 in TCHF**	**Plan assets 2018 in %**	**Market values 2018 in TCHF**
Cash and cash equivalents	1%	469	1%	424
Shares (listed)	24%	9,583	25%	9,301
Bonds and notes (listed)	51%	19,984	50%	18,515
Real estate	19%	7,503	19%	7,073
Alternative investments	5%	2,026	5%	1,995
Total	**100%**	**39,565**	**100%**	**37,307**

As at 31 December 2019, the plan assets did not include treasury shares or real estate in the companies' own use.

The following assumptions were applied to the expenses reported in the income statement and pension liabilities reported in the balance sheet:

	2019	**2018**
Assumptions for the expenses in the income statement:		
Discount rate	0.85%	0.65%
Expected future salary increases	1.25%	1.25%
Expected future pension benefit increases	0.00%	0.10%
Longevity at age 65 for current members aged 45		
› Males	24.5	24.4
› Females	26.5	26.4
Longevity at age 65		
› Males	22.7	22.6
› Females	24.8	24.7
Assumptions for the pension liability in the balance sheet		
Discount rate	0.30%	0.85%
Expected future salary increases	1.25%	1.25%
Expected future pension benefit increases	0.00%	0.00%

A change in the assumptions of +/– 25 basis points for the discount rate and salary increases and +/– 10 basis points for pension benefit increases would have the following percentage impact on the present value of the benefit obligations:

	2019	**2019**	**2019**
Impact on present value of benefit obligations due to the above-mentioned changes in basis points:	Discount rate	Salary increases	Pension increases
Increase	–3.9%	0.7%	1.2%
Decrease	4.2%	–0.7%	–1.2%

	2018	**2018**	**2018**
Impact on present value of benefit obligations due to the above-mentioned changes in basis points:	Discount rate	Salary increases	Pension increases
Increase	–3.4%	0.6%	1.0%
Decrease	3.7%	–0.7%	–1.0%

The following future benefit payments of the pension plan are expected for benefit obligations:

TCHF	**2019**	**2018**
Up to 1 year	554	542
Up to 5 years	3,025	2,797
Over 5 years	48,609	42,445
Total	**52,188**	**45,784**

Based on a DBO cash flow calculation, the duration of benefit obligations as at the reporting date was 19.6 years (prior year: 18.3 years).

18. Share-based payments to the Board of Directors and the Executive Board

Accounting principles

Share-based payments are transactions whereby the Mobimo Group receives goods or services in return for equity instruments such as shares or options. The Board of Directors and the Executive Board are currently subject to compensation rules under which compensation is paid partly in the form of shares. Both schemes are classified as share-based payments. The costs of share-based payments are recognised in the income statement in personnel expense, spread over the vesting period. The corresponding counter-posting takes place in equity. The vesting period is the period during which unlimited entitlement to the shares or options granted is earned. The valuation is based on the fair value of the equity instruments as at the grant date. The grant date is the date on which both parties agree to the plan for the share-based payment and reach a joint agreement on the terms and conditions of the plan.

Board of Directors

The Board of Directors receives fixed compensation, structured on a modular basis. The modules used reflect members' individual activities on the Board of Directors, thus ensuring that compensation is commensurate with the level of responsibility and time involved. The Board of Directors has decided, with effect from the 2019 Annual General Meeting, that approximately 25% of compensation will be paid in the form of shares (prior year: right of election – cash, partially or wholly in shares). The value of the shares and thus the number of shares to be allocated is determined based on the share price applicable on the date of allocation. All shares are allocated once a year on 31 March. From the date of allocation, the shares have both voting and dividend rights. At the 2019 Annual General Meeting, the Board of Directors set a vesting period of three years (previously voluntary subscription with a five-year vesting period). During the vesting period, the shares must be held in safe custody with the share register. The departure of a member of the Board of Directors from the Board has no impact on the vesting period or on the ownership of the shares. In total, compensation of CHF 1.0 million was paid in cash (prior year: CHF 1.1 million) and CHF 0 in the form of shares in 2019 (prior year: CHF 0.03 million, 121 shares). As the first effective payment in shares for the Board of Directors will be made on 31 March 2020, no payments in shares are included for the year under review.

Executive Board

Under the current compensation regulations (valid from 1 January 2015), 65% of variable compensation is based on quantitative criteria and 35% on qualitative criteria that are in turn based on Mobimo's strategy. The Board of Directors has defined the key performance measure for calculating the quantitative target as the return on equity before revaluation income. However, entitlement to compensation is conditional on the company achieving a minimum return on equity before revaluation income of 4.5%. Once this minimum return on equity has been achieved, the entitlement of the Executive Board members rises on a straight-line basis within a range defined by the Board of Directors. Information regarding the profit-sharing model which is in force since 1 January 2020 can be found in the compensation report on page 45.

Variable compensation is capped at 100% of the fixed salary. The regulations then allow the Board of Directors to reduce variable compensation if a dividend/capital repayment at least equivalent to that of the prior year cannot be distributed to shareholders.
At least 50% of the variable compensation is paid in shares in the company. The shares issued are subject to a vesting period of generally five years.

For the 2019 financial year, a total of 1,184 shares (prior year: 1,794) were granted to the Executive Board as a share of profits. The cost of the approved share allocation was recognised as CHF 0.3 million (prior year: CHF 0.4 million), measured at the share price on 31 December 2019 of CHF 288.50 per share (prior year: CHF 234.00). Share-based compensation for the Executive Board was based on the assumption that 50% would be taken in the form of shares (prior year: 50%).

Option plan

No outstanding options exist.

Income taxes

Significant discretionary decisions and estimation uncertainty
The taxation of gains on the disposal of properties is subject to a special property gains tax in various cantons where the taxation of these gains is not part of the ordinary tax on profits. The tax rates applied depend on the length of time the property is held and can vary significantly.
In the calculation of deferred taxes on investment properties, a residual holding period is estimated for each property that reflects Mobimo's strategy. The tax payable on these properties is calculated on the basis of a holding period of up to 20 years. Should the actual holding period for a property deviate from the estimated holding period, the amount of tax applicable at the time the property is sold may vary considerably from the deferred tax estimated.
Applying the property gains tax rates that would be payable in the event of a theoretical sale of all properties on 1 January 2020, the deferred tax liabilities would be CHF 10.2 million higher than the reported deferred tax liabilities.
Various property gains tax amounts due on property sales in the current and previous periods are not yet definitive as at the reporting date. If the definitive amounts involved are not the same as the initial calculations, this may have a material effect on the tax expense for future periods.

19. Income taxes

Accounting principles
Income taxes include current and deferred income taxes. They are recognised in the income statement, with the exception of income tax on transactions recognised in other income or directly in equity. In these cases, income tax is similarly charged to other comprehensive income or directly to equity.

Current income taxes include the expected taxes payable on the relevant taxable result, calculated using the tax rates enacted or substantially enacted at the reporting date, capital gains taxes on property sales effected and any adjustments to tax liabilities or assets from previous years.

Deferred taxes are recognised for temporary differences between the respective tax bases in the tax balance sheet and the consolidated balance sheet, in accordance with the balance sheet liability method. The measurement of deferred taxes takes account of the point in time when, and the manner in which, the asset or liability is expected to be realised or settled. The tax rates used are those that are enacted or substantially enacted at the reporting date.

Deferred tax assets can only be recognised to the extent that it is probable that future profits will be available against which the temporary differences can be offset.

Tax expense

Tax expense can be broken down as follows:

TCHF	2019	2018
Total current tax expense	**–3,460**	**–23,143**
Deferred tax		
Change in deferred tax	–14,251	2,527
Changes in tax rates on deferred tax items recognised	12,580	1,216
Total deferred tax income/expense	**–1,671**	**3,743**
Total income tax expense	**–5,131**	**–19,400**

Current tax expense contains an expense reduction of CHF 2.1 million (prior-year: expenses of CHF 1.4 million) in tax on profits from prior periods. These mainly relate to adjustments and reassessments of tax provisions for outstanding property gains tax cases. Property gains tax is also contained in current tax and is incurred in those cantons that impose a tax on property gains.

Current tax expense and other comprehensive income (equity) include current tax expenses of CHF 1.2 million (prior-year: tax income of CHF 2.2 million) from recognising the losses (prior year: gains) on financial instruments classified as cash flow hedges (interest rate swaps).

The referendum on tax reform and AHV pension financing took place on 19 May 2019, and the proposal was passed. As part of this reform, certain tax privileges will be removed from 1 January 2020, but the tax rates in the cantons are likely to fall to make up for this.

The cantons of Geneva, Schaffhausen, St. Gallen, Vaud and Zurich have already set their new tax rates. As a result, deferred taxes in the canton of Vaud were reduced for the 2017 financial year, while deferred taxes in the cantons of Geneva, Schaffhausen, St. Gallen and Zurich were reduced in the 2019 financial year. This led to a net decrease in deferred tax liabilities of CHF 12.5 million (CHF 12.6 million through profit and loss and CHF 0.1 million recognised in the opposite direction in other comprehensive income).

The canton of Thurgau plans to hold a referendum on reducing the tax rate on profits in the first half of 2020. Further tax cuts are also possible for subsequent years (including in the canton of Zurich). If these proposals are passed and further tax reductions are implemented in subsequent years, the deferred tax liabilities as recognised at the balance sheet date could be reduced slightly once again.

Tax expense can be analysed as follows:

	Unit	2019	2018
Group profit before tax	TCHF	108,216	109,692
Applicable tax rate	%	19.5	25.0
Tax expense at applicable tax rate	TCHF	–21,102	–27,423
Non-deductible expenses	TCHF	423	340
Creation/reversal for prior-year current tax	TCHF	2,090	–1,418
Non-recognition of tax loss carry-forwards	TCHF	–11	–10
Utilisation of previously unrecognised tax losses	TCHF	–25	–1,758
Expense/income which is taxed at a lower/higher tax rate	TCHF	1,161	9,428
Impact of changes in tax rate on deferred tax items recognised	TCHF	12,580	1,216
Other effects	TCHF	–247	224
Total taxes	TCHF	**–5,131**	**–19,400**

The applicable tax rate in the year under review is a mixed rate. It takes account of the fact that gains subject to cantonal and municipal taxes are currently taxed at an average rate of 15% (including direct federal tax), while property gains subject to property gains tax are taxed at rates of up to 35%.

The effects that arise from the difference between the applicable tax rate and the tax rate that is actually valid for offsetting tax loss carryforwards during the offsetting of tax loss carryforwards for which there was a deferred tax asset at the end of the prior year are recognised under utilisation of previously unrecognised tax losses.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are allocated to the following balance sheet items:

TCHF	2019 Assets	2019 Liabilities	2018 Assets	2018 Liabilities
Investment properties		196,425		194,892
Employee benefit obligation	2,226		1,602	
Other items	3,988	8,353	1,593	6,473
Deferred taxes on temporary differences	**6,213**	**204,778**	**3,196**	**201,365**
Tax benefit of offsettable loss carryforwards	1,919		2,621	
Total deferred taxes	**8,132**	**204,778**	**5,817**	**201,365**
Offset of deferred tax assets and liabilities	–5,830	–5,830	–4,152	–4,152
Deferred tax assets/ liabilities	**2,302**	**198,948**	**1,664**	**197,213**

Deferred tax assets for loss carryforwards are recognised to the extent that it is probable that future taxable profits will be available against which the loss carryforwards can be utilised.

According to the practice of the Zurich Cantonal Tax Office applied up to the end of 2018, cantonal losses for the purposes of income tax could not be completely offset against gains in the same year. However, these losses are carried forward and may be offset against future gains. As at the reporting date, Mobimo recognises a tax benefit of CHF 1.6 million (prior year: CHF 1.3 million) from cantonal losses of this nature. Other assets of CHF 0.3 million (prior year: CHF 1.3 million) relate to offsettable loss carryforwards for direct federal, cantonal and municipal taxes of CHF 1.6 million (prior year: CHF 7.0 million). The total tax benefit is therefore CHF 1.9 million (prior year: CHF 2.6 million).

There are loss carryforwards of CHF 0.1 million (prior year: CHF 0.1 million) for which deferred taxes of CHF 0.03 million (prior year: CHF 0.02 million) were not recognised because it is currently unclear whether these loss carryforwards can be offset against future profits within the legally prescribed period of seven years.

No deferred taxes were recognised for undistributed earnings of subsidiaries, since no taxes are expected if a distribution were to take place.

The net change in deferred tax liabilities of CHF 1.1 million (from CHF 195.5 million to CHF 196.6 million) resulted from the recognition of CHF 1.7 million as an expense and the recognition of CHF 0.6 million in other comprehensive income, which led to a decrease.

In the previous year, there was a net change of CHF 36.5 million from CHF 159.1 million to CHF 195.5 million, of which a net CHF 40.0 million resulted from the acquisition of Immobiliengesellschaft Fadmatt AG and CHF 0.2 million from the first-time application of IFRS 15. The remaining change in the item resulted from recognition of a CHF 3.7 million loss and the recognition of a CHF 0.1 million gain in other comprehensive income.

Other notes

20. Operating expenses

Accounting principles
Short-term leases with a term of less than 12 months and leases for which the underlying asset is of low value are not recognised on the balance sheet as lease liabilities or right-of-use assets. Mobimo recognises the leasing payments for leases of this nature directly as operating expenses.

Operating expenses include the third-party services of Mobimo FM Service AG, expenditure on IT, communications and marketing, general office expenses and non-reclaimable input tax. Also included in operating expenses are capital and minimum taxes of CHF 0.7 million (prior year: CHF 0.6 million) and planning costs of CHF 1.1 million (prior year: CHF 0.8 million). Planning costs relate to expenditure on the development and compilation of feasibility studies for projects subject to external influences that Mobimo cannot influence and for which there is uncertainty as to whether they can be realised at all. These costs have therefore been charged to operating expenses until it is certain that these projects will proceed. Once this is the case, the costs will be capitalised.

Operating expenses also include the rental and leasing expenses from uncapitalised leases charged to the income statement. These expenses can be broken down as follows:

TCHF	2019
Expenses relating to short-term leases	96
Expenses relating to leases of low-value assets	9
Total operating expenses from leases	**105**

In the prior year, the rental and leasing expenses charged to the income statement were CHF 0.5 million.

21. Administrative expenses

Administrative expenses can be broken down as follows:

TCHF	2019	2018
Consulting expense	–2,087	–2,147
Other administrative expenses	–714	–1,283
Total administrative expenses	**–2,800**	**–3,430**

22. Trade receivables

Trade receivables can be broken down as follows:

TCHF	2019	2018
Outstanding purchase prices real estate due from third parties	430	22,026
Receivables from development projects	0	2,872
Outstanding rents and ancillary costs due from third parties	13,675	10,804
Outstanding rents and ancillary costs due from associates and joint ventures	70	137
Outstanding trade receivables from related parties	3	1
Less doubtful debt allowance for outstanding rent and ancillary costs	–1,131	–999
Total trade receivables	**13,047**	**34,842**

The age structure of trade receivables after valuation allowances is as follows:

TCHF	2019	2018
Not past due	11,385	31,368
Up to 30 days	1,016	2,585
Up to 90 days	261	203
Over 90 days	384	684
Total	**13,047**	**34,842**

Doubtful debt allowances for outstanding rent and ancillary costs changed as follows in the year under review:

TCHF	2019	2018
Valuation allowances		
At 1 January	999	601
Change in valuation allowances	132	397
At 31 December	**1,131**	**999**

23. Other receivables

In the prior year, other receivables totalled CHF 15.3 million and included CHF 13.9 million of cash pledged to banks as collateral. This pledge was reversed in the year under review.

24. Property, plant and equipment

Accounting principles

Property, plant and equipment, including owner-occupied properties, is measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment is depreciated using the straight-line method over its estimated useful life.

Useful life is as follows:

Buildings	50 years
Interior fixtures and fittings	15 years
Building services	15 years
Office furnishings	8 years
Office equipment	5 years
Telephone installations	5 years
Vehicles	5 years
Hardware	3 – 4 years

The carrying amount of property, plant and equipment is assessed at least once a year. If there are indications that an asset may be impaired, an impairment test is carried out.

The treatment of right-of-use assets recognised in property, plant and equipment is explained in Note 2 under Effects from the first-time application of IFRS 16.

TCHF	Owner-occupied properties	Other P, P & E in use	Other P, P & E under construction	2019 Total
Cumulative acquisition values				
Balance at 31 December 2018	22,391	6,869	3,667	32,927
Impact of changes in accounting policies	2,097	0	0	2,097
Balance at 1 January 2019	24,488	6,869	3,667	35,024
Additions	142	568	316	1,026
Disposals	0	–206	0	–206
Transfers	0	3,983	–3,983	0
Balance at 31 December 2019	**24,630**	**11,215**	**0**	**35,844**
Cumulative depreciation				
Balance at 1 January 2019	–8,653	–4,309	0	–12,962
Depreciation	–1,243	–1,068	0	–2,311
Disposals	0	153	0	153
Transfers	0	0	0	0
Balance at 31 December 2019	**–9,896**	**–5,224**	**0**	**–15,120**
Net carrying amount at 31 December	**14,734**	**5,990**	**0**	**20,724**
thereof right-of-use assets	1,798	53	0	1,851
Net carrying amount excl. right-of-use assets at 31 December 2019	**12,936**	**5,938**	**0**	**18,873**

Owner-occupied properties include the property at Küsnacht, Seestrasse 59, and part of the property at Lausanne, Rue de Genève 7, which are used by Mobimo Management AG as its administrative premises. Also included is a room for cultural activities at the property in Lausanne, Rue des Côtes-de-Montbenon 16 and tenant improvements for own use (net carrying amount CHF 0.7 million) in a rented property in Küsnacht.

Other property, plant and equipment comprises computer hardware, movables and vehicles. Following the completion of the anergy system in Kriens, which provides residents and third parties in the Kriens district with heating and cooling, the system was transferred from property, plant and equipment under construction to other property, plant and equipment in the year under review.

TCHF	Owner-occupied properties	Other P, P & E in use	Other P, P & E under construction	2018 Total
Cumulative acquisition values				
Balance at 1 January	21,254	5,920	3,530	30,704
Additions	1,137	1,086	137	2,360
Disposals	0	–137	0	–137
Balance at 31 December	**22,391**	**6,869**	**3,667**	**32,927**
Cumulative depreciation				
Balance at 1 January	–7,800	–3,561	0	–11,361
Depreciation	–853	–885	0	–1,738
Disposals	0	137	0	137
Balance at 31 December	**–8,653**	**–4,309**	**0**	**–12,962**
Net carrying amount at 31 December	**13,738**	**2,560**	**3,667**	**19,965**
Total other P, P & E at 31 December		6,227		

The right-of-use assets from property, plant and equipment changed as follows in the year under review:

TCHF	Owner-occupied properties	Other P, P & E in use	2019 Total
Net carrying amount right-of-use assets at 31 December 2018	**0**	**0**	**0**
Impact of changes in accounting policies	2,097	0	2,097
Net carrying amount right-of-use assets at 1 January 2019	**2,097**	**0**	**2,097**
Additions	0	67	67
Depreciation	–299	–15	–314
Net carrying amount right-of-use assets at 31 December 2019	**1,798**	**53**	**1,851**
Total other P, P & E at 31 December		53	

25. Intangible assets

Accounting principles

Mobimo classifies the purchase rights/construction projects and software categories as intangible assets. Mobimo acquires purchase rights when it makes payments for the right to purchase a plot of land. Development services carried out for third parties and own work carried out on projects belonging to non-current assets where a contractual basis for the acquisition of land exists but the title to the land has not yet been transferred are reported under construction projects. The software category comprises software that has been purchased for operational purposes. Intangible assets are measured at cost. Software is amortised individually over an estimated useful life of generally three to five years.

The carrying amount of intangible assets is assessed at least once a year. If there are indications that an asset may be impaired, an impairment test is carried out.

Recoverable amounts are calculated annually for other intangible assets with an indefinite useful life and intangible assets not yet available for use, even if there are no indications of impairment.

TCHF	Purchase options/ construction projects	Software	2019 Total
Cumulative acquisition values			
Balance at 1 January	5,587	9,339	14,926
Additions	71	1,602	1,673
Disposals	0	–563	–563
Balance at 31 December	**5,658**	**10,377**	**16,036**
Cumulative amortisation and impairment losses			
Balance at 1 January	–2,665	–4,512	–7,177
Amortisation	0	–1,326	–1,326
Impairment losses	0	0	0
Disposals	0	563	563
Balance at 31 December	**–2,665**	**–5,275**	**–7,940**
Net carrying amount at 31 December	**2,993**	**5,103**	**8,096**

Purchase options/construction projects consist of a notarised purchase option for a plot in Merlischachen in the canton of Schwyz, and capitalised development costs for a construction project in Zurich Oerlikon, where Mobimo is not yet the owner of the property in question but has concluded a purchase contract.

TCHF	Purchase options/ construction projects	Software	2018 Total
Cumulative acquisition values			
Balance at 1 January	5,349	7,860	13,209
Additions	238	1,479	1,717
Balance at 31 December	**5,587**	**9,339**	**14,926**
Cumulative amortisation and impairment losses			
Balance at 1 January	–2,165	–2,974	–5,139
Amortisation	0	–1,538	–1,538
Impairment losses	–500	0	–500
Balance at 31 December	**–2,665**	**–4,512**	**–7,177**
Net carrying amount at 31 December	**2,923**	**4,826**	**7,749**

26. Investments in associates and joint ventures

Accounting principles

Ownership interests of between 20% and 50% in companies over which Mobimo exerts a significant influence but does not control, as well as shares in joint ventures, are accounted for using the equity method and recognised separately in the balance sheet. The fair value of the pro rata net assets is determined at the time of acquisition and recognised in the balance sheet together with any goodwill under investments in associates and joint ventures. In subsequent reporting periods, this figure will be adjusted to reflect Mobimo's share of the additional capital and the profits generated, as well as any dividends.

TCHF	2019	2018
Parking du Centre SA, Lausanne (50% stake)	20,008	19,925
Flonplex SA, Lausanne (40% stake)	9,520	9,363
Total	**29,527**	**29,287**

Investments in joint ventures

Indigo Suisse SA

Mobimo has a 50% investment in Indigo Suisse SA (formerly Parking du Centre SA). Indigo Suisse SA is a car park operator in Lausanne held as a joint venture with Indigo Group S.A.S., a company active in the areas of urban mobility and parking solutions. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of its net assets. Mobimo accounts for its investment in Indigo Suisse SA using the equity method.

The following is a summary of the key financial data of the joint venture, adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2019	2018
Current assets	TCHF	1,474	745
Non-current assets	TCHF	50,108	50,813
Current liabilities	TCHF	1,785	1,552
Non-current liabilities	TCHF	9,781	10,157
The assets and liabilities above include the following details:			
Cash and cash equivalents	TCHF	1,071	534
Current financial liabilities (excluding trade and other payables and provisions)	TCHF	200	100
Financial liabilities	TCHF	6,300	6,600
Revenue	TCHF	7,751	7,539
Depreciation and amortisation	TCHF	–1,008	–959
Financial expense	TCHF	–206	–319
Tax expense	TCHF	–470	–1,068
Profit	TCHF	3,166	4,577
Net assets	TCHF	40,015	39,850
Proportion of the ownership interest	%	50	50
Carrying amount of the interest	**TCHF**	**20,008**	**19,925**
Dividends received from joint venture	TCHF	1,500	1,440

Investments in associates

Flonplex SA

Flonplex SA is a cinema operator in Lausanne whose majority shareholder is fellow cinema operator Pathé Schweiz AG; Mobimo holds an investment of 40%. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of its net assets. Mobimo accounts for its investment in Flonplex SA using the equity method. The following is a summary of the key financial data of Flonplex SA, adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2019	2018
Current assets	TCHF	5,099	3,603
Non-current assets	TCHF	22,921	23,716
Current liabilities	TCHF	2,499	2,263
Non-current liabilities	TCHF	1,722	1,650
Revenue	TCHF	10,854	10,197
Profit	TCHF	2,393	1,951
Net assets	TCHF	23,799	23,406
Proportion of the ownership interest	%	40	40
Carrying amount of the interest	**TCHF**	**9,520**	**9,363**
Dividends received from the associate	TCHF	800	309

27. Financial assets

Accounting principles
Financial assets comprise time deposits, long-term loans to third parties and non-consolidated equity investments. Non-consolidated equity investments are those investments that give Mobimo less than 20% of the voting rights. Time deposits and loans are recognised at amortised cost less any valuation allowance. The non-consolidated investments are classified as at fair value through profit or loss and are measured at fair value with fair value adjustments recognised in profit or loss.

Financial assets can be broken down as follows:

TCHF	2019	2018
Loans to third parties	124	0
Current financial assets	**124**	**0**
Loans to third parties	2,543	400
Non-consolidated equity investments	2,379	2,301
Non-current financial assets	**4,922**	**2,701**
Total	**5,046**	**2,701**

Loans to third parties relate to loans to a tenant for tenant improvements. Additionally, in this context Mobimo has provided a joint guarantee of CHF 0.5 million to a third party for its loan to a tenant.

Non-consolidated equity investments primarily comprise the investment in Parking Saint-François SA.

Financial assets changed as follows in the year under review:

TCHF	2019	2018
Balance at 1 January	**2,701**	**152,233**
Additions	3,267	400
Disposals	0	–150,000
Market value adjustment	78	68
Impairment	–1,000	0
Balance at 31 December	**5,046**	**2,701**

28. Other payables

Other payables totalling CHF 4.6 million (prior year: CHF 4.4 million) in the year under review and in the prior year are for the most part deferred purchase price payments for already completed acquisitions of companies. The residual amount comprises payables in connection with social security contributions, payables in connection with value added tax and other payables.

29. Accrued expenses and deferred income

TCHF	2019	2018
Accruals for construction work	15,505	16,206
Accruals from property accounts	13,169	9,308
Accruals for interest	4,709	4,657
Accruals for services for related parties	339	418
Other items	8,082	10,126
Total accrued expenses and deferred income	**41,804**	**40,716**

Other financial information

30. Related parties

Accounting principles
Related parties include shareholders who could exert a significant influence over Mobimo, the Board of Directors and management, associates, companies controlled by members of the Board of Directors of the Mobimo Group, and the Mobimo pension plan.

Note 16 gives details of the compensation paid to the members of the Board of Directors and Executive Board for their activities.

In addition to the share of profit, Mobimo's income statement includes the following items with the joint venture Indigo Suisse SA (see Note 26):
Income from rental of properties of TCHF 532 (prior year: TCHF 541), other income of TCHF 266 for services rendered, property expenses of TCHF –14 (prior year: 0) and operating expense (rental expense for parking spaces) of TCHF –17 (prior year: TCHF –25).

The Mobimo income statement contains the following items with the associate Flonplex SA (see Note 26):
Income from rental of properties of TCHF 210 (prior year: TCHF 210) and other income of TCHF 22 (prior year: TCHF 22) for services rendered.

Transactions between Mobimo and the pension plans are listed in Note 17.

31. Earnings per share

Accounting principles
Earnings per share are calculated by dividing the Group result attributable to the shareholders of Mobimo Holding AG by the weighted average of the number of shares outstanding during the reporting period. Diluted earnings per share additionally take account of any shares arising from the exercise of option or conversion rights.

	2019	2018
Calculation of earnings per share		
Number of outstanding shares at 1 January	6,596,614	6,217,669
+ Effect of capital increase (average)	0	138,646
+ Effect of change in holdings of treasury shares	1,250	–2,355
= Average number of outstanding shares	6,597,864	6,353,960
= Effective number of shares as basis for calculation of diluted earnings per share	6,597,864	6,353,960
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	103,161	90,623
./. Net income from revaluation in TCHF (attributable to the shareholders of Mobimo Holding AG)	–51,547	–41,852
+ Attributable deferred tax in TCHF	10,052	10,463
= Profit not including revaluation (and attributable deferred tax) in TCHF	61,665	59,235
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	103,161	90,623
EBITDA not including revaluation in TCHF	86,123	95,440
Operating result (EBIT) not including revaluation in TCHF	82,487	91,664
Earnings before tax (EBT) not including revaluation in TCHF	56,669	67,727
Profit not including revaluation in TCHF[1]	61,665	59,235
Earnings per share in CHF	15.64	14.26
Diluted earnings per share in CHF	15.64	14.26
Earnings per share not including revaluation (and attributable deferred tax) in CHF	9.35	9.32
Diluted earnings per share not including revaluation (and attributable deferred tax) in CHF	9.35	9.32
Calculation of net asset value (NAV) per share		
Number of outstanding shares at 31 December	6,597,165	6,596,614
= Number of shares as basis for calculation of diluted NAV	6,597,165	6,596,614
Equity at 31 December in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,532,256	1,507,185
= Shareholders' equity after option exercise in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,532,256	1,507,185
NAV per share in CHF	232.26	228.48
NAV per share, diluted, in CHF	232.26	228.48

[1] As a result of various one-off effects in tax expense (see Note 19), profit excluding revaluation was higher than earnings before tax (EBT) excluding revaluation in 2019.

32. Scope of consolidation (Group companies)

Accounting principles

The consolidated annual financial statements encompass all companies over which Mobimo Holding AG has either direct or indirect control. Control is deemed to exist where Mobimo is exposed to fluctuating income as a result of its holdings in a company and has rights over such income. Mobimo must also have the ability to influence this income through its power of disposal over the company. Group companies acquired or divested during the course of a year are consolidated from the date on which control is acquired or deconsolidated from the date on which control ceases. For fully consolidated companies, assets, liabilities, expenses and income are taken over on a 100% basis using the full consolidation method.
All intragroup transactions and relationships and profit on intragroup transactions and balances are eliminated.
Ownership interests of between 20% and 50% in companies over which Mobimo exerts a significant influence, as well as shares in joint ventures, are accounted for using the equity method (see Note 26). Other interests are managed as financial assets (see Note 27).
Capital is consolidated at the time of acquisition using the purchase method. However, companies holding real estate often do not meet the definition of a business under IFRS 3. Upon such an acquisition, Mobimo allocates the costs of acquisition to the individually identifiable assets and liabilities at the time of acquisition on the basis of fair value. The acquisition of such a company does not result in goodwill.
Non-controlling interests are shown separately from the Group's equity. Changes in the amount of proportionate interest that do not lead to loss of control are treated as transactions with equity owners. Any difference between the purchase price paid or the consideration received and the amount by which the non-controlling interests are being adjusted is recognised directly in equity.

The following companies fall under the scope of consolidation:

Company	Domicile	Share capital in TCHF	Ownership interest in %	Consolidation method
Mobimo Holding AG	Lucerne	153,366		F
BSS&M Real Estate AG	Küsnacht	500	100.00	F
CC Management SA	Geneva	4,700	100.00	F
Immobiliengesellschaft Fadmatt AG	Küsnacht	3,260	100.00	F
Kumag AG	Küsnacht	300	100.00	F
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.00	F
LO Immeubles SA	Lausanne	2,000	100.00	F
Mobimo AG	Küsnacht	72,000	100.00	F
Mobimo FM Service AG	Küsnacht	100	100.00	F
Mobimo Management AG	Küsnacht	100	100.00	F
Mobimo Zürich Nord AG	Küsnacht	100	100.00	F
O4Real AG	Lausanne	1,000	100.00	F
Petit Mont-Riond SA	Lausanne	50	100.00	F
Promisa SA	Lausanne	100	100.00	F
Flonplex SA	Lausanne	2,000	40.00	E
Indigo Suisse SA[1]	Lausanne	6,000	50.00	E
Parking Saint-François SA	Lausanne	1,150	26.59[2]	not cons.

F = fully consolidated.
E = equity valuation. For more information, see Note 26.
not cons. = not consolidated. For more information, see Note 27.

1 Formerly Parking du Centre SA.
2 The share of voting rights is 5%, which is why Parking Saint-François SA is reported under financial assets (non-consolidated equity investment).

Companies acquired and sold

Kumag AG was acquired in the year under review. Immobiliengesellschaft Fadmatt AG was acquired in the prior year.

Kumag AG

Mobimo acquired 100% of the shares in Kumag AG on 25 July 2019. This is a real estate company which owns the Zurich, Letzigraben 114/116 property. The intention is to develop this property from a commercial property today into condominium apartments. As the acquired company does not meet the criteria of a business under IFRS 3, the acquisition is not a business combination but a purchase of assets. The costs of acquisition have been allocated to the positions.

Immobiliengesellschaft Fadmatt AG

On 22 August 2018, all 6,520 issued and publicly held shares in Immobiliengesellschaft Fadmatt AG were acquired at a price of CHF 28,000 per share. Just under half of the acquisition price of CHF 181.2 million was paid in cash, and the remainder in the form of 383,377 new shares created from Mobimo's authorised capital. The company's real estate portfolio comprises 503 units (apartments and terraced, semi-detached and detached houses) spread over seven locations in the cantons of Zurich and Schaffhausen. As the acquired company did not meet the criteria of a business under IFRS 3, the acquisition was not a business combination but a purchase of assets. The costs of acquisition have been allocated to the positions.

Changes in the scope of consolidation

On 27 June 2019, Mobimo acquired the remaining 34% of the shares in BSS&M Real Estate AG, Küsnacht for CHF 9.2 million. As such, it now holds 100% of the shares, meaning that as at the balance sheet date there were no longer any non-controlling interests in equity. As part of a restructuring within the scope of consolidation, Immobilien Invest Holding AG, Glarus was absorbed by LO Holding Lausanne-Ouchy S.A., Lausanne with effect from 17 May 2019. Mobimo had acquired the remaining 24.7% of the shares in Immobilien Invest Holding AG, Glarus in the prior year.

33. Significant shareholders

As at the reporting date, the following shareholders held 3% or more of the shares and options in Mobimo Holding AG:

%	2019	2018
Credit Suisse Funds AG	5.50	3.10
BlackRock, Inc.	4.95	4.99
Pensionskasse des Kantons Zug	3.18	3.18
UBS Fund Management (Switzerland) AG	3.08	3.08
Dimensional Holding Inc.	3.00	3.00

34. Events after the reporting date

The Board of Directors approved the consolidated annual financial statements for publication on 31 January 2020. These statements are also subject to approval by the General Meeting of Mobimo Holding AG on 31 March 2020.

No other events took place between 31 December 2019 and the approval date of these consolidated financial statements that would require adjustments to the carrying amounts of assets and liabilities of the Group as at 31 December 2019 or that would require disclosure in this section.

Property details

Details of trading properties

Location, address	Economic area[1]	Description[2]	Carrying amount in TCHF[3]	Built
Arlesheim, Bruggweg 60	NW	open	7,857	1904
Brugg, Hauptstrasse	NW	open	2,978	
Châtel-St-Denis, Chemin de la Chaux	F	open	20,446	
Herrenschwanden, Mettlenwaldweg 19	BE	open	6,395	
Köniz, Hallmatt, Unders Juuch	BE	open	5,819	
Köniz, Niederwangen, Ried Ost[4]	BE	open	568	
Langenthal, Kühlhausstrasse 8	BE	open	1,602	
Maur, Dorfacherstrasse	ZH	open	8,802	1959
Merlischachen, Chappelmatt-Strasse (Burgmatt)	C	78 con	16,655	
Oberägeri, Lutisbachweg	C	open	40,634	1904/1917
Regensdorf, Watterstrasse	ZH	open	3,623	
Uster, Berchtoldstrasse	ZH	open	8,638	
Weggis, Hertensteinstrasse 105	C	open	10,673	
Zurich, Allmendstrasse 92 – 96 (Manegg)	ZH	open	14,713	
14 land entities and development projects			**149,404**	
Meggen, Gottliebenrain 5/7	C	36 con	17,494	
1 property under construction			**17,494**	
Aarau, Site 4 (Torfeld Süd)	NW	92 con	74	
Allaman, Chemin des Grangettes 2[5]	F	open	25,120	1991
Dübendorf, Birchlenstrasse 20 – 26[5]	ZH	open	15,129	1951
Horgen, Allmendgütlistrasse 35/39[5]	ZH	open	10,970	1955
Regensdorf, Althardstrasse 30[6]	ZH	open	16,390	1976
Salenstein, Hauptstrasse	E	22 con	4,028	
Zurich, Letzigraben 114/116[5]	ZH	open	17,640	1960
Zurich, Turbinenstrasse (Mobimo Tower)	ZH	53 con	3,082	
8 completed real estate and development properties			**92,434**	
23 trading properties			**259,332**	

1 BE: Berne; C: Central Switzerland; E: Eastern Switzerland; F: French-speaking Switzerland; NW: North-western Switzerland; ZH: Zurich area. Economic area-related overviews are presented on pages 11 to 13.
2 Con: condominiums.
3 Data as at 31.12.2019.
4 In the referendum held in May 2019, the voters of the municipality of Köniz approved the transfer of the land covered by building rights to Mobimo and a non-profit housing association. This will enable Mobimo to realise this project, whereas the exact realisation period is not yet known.
5 Development properties.
6 Sale as project.

Realisation period	Project status[3]	Sales volume in TCHF	Sales status (certified purchase agreement)[3]	Acquired	Site area in m²	Register of polluted sites
open	in planning	open	open	May 2019	3,758	no
open	in planning	open	open	Jul 2016	4,228	no
open	in planning	open	open	Jul 2016	21,231	yes (insignificant)
open	in planning	open	open	Nov 2018	10,273	yes (insignificant)
open	in planning	open	open	Dec 2018	21,407	no
open	in planning	open	open	open	26,751	no
open	in planning	open	open	Sep 2015	13,080	yes (insignificant)
open	in planning	open	open	Dec 2019	3,910	no
open	in planning	open	open	2014/2015	15,522	no
open	in planning	open	open	Oct 2019	24,167	no
open	in planning	open	open	Jul 2016	12,897	no
open	in planning	open	open	Jul 2016	4,069	no
open	for sale	open	0/1	May 2010	3,454	no
open	in planning	open	open	Mar 2015	11,247	yes (insignificant)
					175,994	
2020/2022	under construction	48,840	0/36	Jul 2017	5,207	no
		48,840			**5,207**	
2014/2017	for sale	84,183	92/92	Jun 2001	11,105	no
open	in planning	open	open	Sep 2015	23,213	no
open	in planning	open	open	Jan 2019	4,846	no
open	in planning	open	open	Feb 2018	3,722	no
open	in planning	open	open	Dec 2001	9,355	no
2012/2015	for sale	20,864	18/22	Jul 2016	6,970	no
open	in planning	open	open	Jul 2019	2,330	no
2008/2011	for sale	166,783	52/53	May 2008	1,936	no
		271,829			**63,477**	
		320,669			**244,678**	

Details of commercial properties

Location, address	Economic area[1]	Property description[2]	Fair value in TCHF[3]	Built	Year renovated	Gross yield in %[4]	Target rental income in TCHF[5]
Aarau, Aeschbachweg 6/8	NW	com	23,370	2018		2.5	586
Aarau, Industriestrasse 20 (Polygon)	NW	com	25,280	2012		5.0	1,263
Aarau, Industriestrasse 28; Torfeldstrasse Parkhaus	NW	com	26,930	1905/1916/ 1929/1943/ 1954/1974		7.0	1,896
Affoltern am Albis, Obstgartenstrasse 9; Alte Obfelderstrasse 27/29	ZH	com/res	79,430	2014		4.3	3,442
Basel, Lyon-Strasse 40[3]	NW	com	380	1940		25.8	98
Brugg, Bahnhofstrasse 11	NW	com	24,940	2005		6.0	1,495
Cham, Brunnmatt 4/6/8	C	com/h	38,240	2012		6.0	2,288
Dierikon, Pilatusstrasse 2	C	com	9,670	1990	2007	8.3	804
Dübendorf, Sonnentalstrasse 5	ZH	com	28,770	1975	2000	6.4	1,839
Dübendorf, Zürichstrasse 98	ZH	com	22,530	1965	1983	5.8	1,313
Geneva, Rue des Etuves 16 – 18	F	com/res	11,100	1910		4.6	512
Horgen, Seestrasse 80	ZH	com	7,650	1960	2000/2008	6.8	518
Horgen, Seestrasse 82	ZH	CP	6,550	2010/2011		4.9	322
Horgen, Seestrasse 93 (Seehallen)	ZH	com	45,130	1956	2018	6.4	2,896
Kreuzlingen, Lengwilerstrasse 2	E	com	6,200	2007		5.1	318
Kreuzlingen, Leubernstrasse 3; Bottighoferstrasse 1	E	com	53,260	1983/2003	2003	6.8	3,632
Kreuzlingen, Romanshornerstrasse 126	E	BR	1,860	n/a		4.3	80
Kriens, Am Mattenhof 10, Parking	C	CP	17,980	1986	2016	4.0	714
Kriens, Sternmatt 6	C	com	7,320	1986	2008	7.9	581
Lausanne, Avenue d'Ouchy 4 – 6 (Horizon)	F	com	68,530	1962	2013	4.6	3,127
Lausanne, Place de la Gare 4	F	com	32,670	1961	2000	4.7	1,526
Lausanne, Place de la Gare 10; Rue du Petit-Chêne 38	F	com	64,460	1957		3.3	2,154
Lausanne, Place de l'Europe 6	F	com/h	6,360	1905	2012	4.8	303
Lausanne, Place de l'Europe 7	F	com	8,850	1905	2001	4.9	437
Lausanne, Place de l'Europe 8	F	com	12,260	1911	1989	4.8	588
Lausanne, Place de l'Europe 9	F	com	25,850	1900	2002	5.0	1,297
Lausanne, Rue de Genève 2/4/6/8	F	com	23,800	1904	2002	5.2	1,237
Lausanne, Rue de Genève 7	F	com[9]	33,920	1932	1992/2011	4.5	1,539
Lausanne, Rue de Genève 17	F	com	22,470	1884	2002	6.6	1,485
Lausanne, Rue de Genève 23	F	com	4,570	1915	2005	6.2	282
Lausanne, Rue de Genève 31 (Parking du Centre)	F	BR	9,180	n/a		5.5	506
Lausanne, Rue de la Vigie 5	F	com	14,640	1963	1988	5.9	860
Lausanne, Rue des Côtes-de-Montbenon 1/3/5	F	com	10,280	2017		4.6	471
Lausanne, Rue des Côtes-de-Montbenon 6	F	com	8,280	1921	2009	4.3	354
Lausanne, Rue des Côtes-de-Montbenon 8/10	F	com	9,250	1946	1998	5.5	513
Lausanne, Rue des Côtes-de-Montbenon 12	F	com	3,420	1918	2004	7.1	242
Lausanne, Rue des Côtes-de-Montbenon 16	F	com[9]	5,840	1912	2007	5.4	314
Lausanne, Rue des Côtes-de-Montbenon 20 – 24	F	com	46,740	2013		4.8	2,250
Lausanne, Rue des Côtes-de-Montbenon 26	F	BR	1,820	n/a		4.3	79
Lausanne, Rue des Côtes-de-Montbenon 28/30	F	BR	1,970	n/a		3.7	74
Lausanne, Rue du Port-Franc 9	F	com	7,490	1927	2009	4.6	344
Lausanne, Rue du Port-Franc 11	F	com	13,640	2008		5.4	735
Lausanne, Rue du Port-Franc 16 (Flonplex)	F	BR	4,830	n/a		4.3	210

1 C: Central Switzerland; E: Eastern Switzerland; F: French-speaking Switzerland; NW: North-western Switzerland; ZH: Zurich area. Economic area-related overviews are presented on pages 11 to 13.
2 BR: building right; com: commercial property; h: hotel; CP: multi-storey car park; res: residential property.
3 Excluding right-of-use asset.
4 Target rental income as at 31.12.2019 as a % of market value.
5 Including building right interest.

Vacancy rate in %[6]	Total rentable area in m²	Office space in %[7]	Sales space in %[7]	Commercial space in %[7]	Residential space in %[7]	Other in %[7]	Vacant area in %[7]	Ownership[8]	Acquired	Site area in m²	Register of polluted sites
4.8	5,697	0.0	0.0	54.4	34.2	11.4	4.9	SO	Oct 2006	3,813	yes (insignificant)
0.0	4,465	91.4	0.0	0.0	0.0	8.6	0.0	SO	Jun 2001	2,379	yes (to review)
0.0	29,615	0.0	0.0	81.9	0.0	18.1	0.0	SO	Jun 2001/ Oct 2006	15,161	yes (insignificant)
0.0	10,625	0.0	0.0	0.0	93.0	7.0	0.0	SO	Aug 2011	6,455	no
0.0	2,505	3.4	0.0	17.9	0.0	78.7	49.2	SO	Nov 2015	1,910	no
2.5	4,056	33.1	33.6	20.9	0.0	12.4	0.0	con (773/1000)	Jun 2006	2,726	no
1.4	8,259	0.0	24.3	0.0	0.0	75.7	0.0	SO	Jul 2016	7,958	no
23.8	4,377	59.8	15.9	15.1	0.0	9.2	26.4	SO	May 2009	4,396	no
2.1	9,374	27.8	0.0	62.6	0.0	9.6	1.9	SO	Mar/Dec 1999	4,269	yes (to review)
26.8	9,846	27.9	17.4	26.1	1.1	27.5	25.4	SO	Jan 2000	9,809	yes (petrol station)
37.0	2,130	14.6	16.6	0.0	68.5	0.3	25.7	SO	Nov 2015	484	no
0.0	2,151	76.2	0.0	19.0	0.0	4.8	0.0	SO	Nov 2005	3,483	no
2.1	64	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2005	0	no
10.1	16,318	16.7	0.0	65.9	0.0	17.4	12.5	SO	Nov 2005	10,542	yes
0.0	1,348	0.0	66.5	0.0	0.0	33.5	0.0	SO	Apr 2007	6,993	no
1.9	17,827	8.5	89.5	0.0	0.0	2.0	2.4	SO	Nov 2006	25,529	no
0.0	2,214	0.0	100.0	0.0	0.0	0.0	0.0	SO	Nov 2006	2,214	no
0.0	129	0.0	0.0	0.0	0.0	100.0	0.0	SO	Feb 2004	5,028	no
17.0	6,741	0.5	0.0	52.5	0.0	47.0	13.8	SO	Feb 2004	5,625	no
0.0	8,072	96.6	0.0	0.0	0.0	3.4	0.0	SO	May 2010	12,612	yes (to review)
5.6	4,795	63.4	0.0	0.0	0.0	36.6	5.4	SO	Nov 2009	630	no
5.4	9,153	67.5	23.9	0.0	1.2	7.4	10.6	SO	Dec 2017	2,105	no
0.0	796	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2009	519	yes (insignificant)
0.0	1,429	65.2	8.0	0.0	0.0	26.8	0.0	SO	Nov 2009	550	yes (insignificant)
0.0	1,688	75.7	24.3	0.0	0.0	0.0	0.0	SO	Nov 2009	743	yes (insignificant)
0.0	3,512	49.5	26.7	0.0	0.0	23.8	0.0	SO	Nov 2009	1,502	yes (insignificant)
0.0	4,679	8.6	87.4	0.0	0.0	4.0	0.0	SO	Nov 2009	3,181	yes (insignificant)
13.8	5,296	12.3	54.2	0.0	20.8	12.7	13.3	SO	Nov 2009	2,636	yes (insignificant)
12.5	7,105	46.4	31.0	3.0	0.0	19.6	7.9	SO	Nov 2009	3,257	yes (insignificant)
0.0	2,588	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2009	1,056	yes (insignificant)
0.0	6,526	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2009	6,526	yes (insignificant)
0.0	3,368	64.3	0.0	5.6	0.0	30.1	0.0	SO	Nov 2009	1,443	yes (to review)
0.0	1,955	22.1	37.7	0.0	0.0	40.2	0.0	SO	Nov 2009	1,386	yes (to review)
0.0	2,195	53.3	19.6	0.0	0.0	27.1	0.0	SO	Nov 2009	750	yes (insignificant)
0.7	2,126	76.3	0.0	0.0	0.0	23.7	1.7	SO	Nov 2009	1,116	yes (insignificant)
0.0	978	21.4	0.0	0.0	0.0	78.6	0.0	SO	Nov 2009	466	yes (to review)
0.0	943	31.8	0.0	0.0	29.8	38.4	0.0	SO	Nov 2009	763	yes (insignificant)
0.0	7,861	19.2	0.0	0.0	0.0	80.8	0.0	SO	Nov 2009	3,498	yes
0.0	867	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2009	1,092	yes (insignificant)
0.0	1,068	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2009	1,840	yes (to review)
0.0	1,756	41.2	21.4	0.0	0.0	37.4	0.0	SO	Nov 2009	609	yes (insignificant)
0.0	2,173	38.0	7.6	0.0	0.0	54.4	0.0	SO	Nov 2009	1,033	yes (insignificant)
0.0	1,953	0.0	0.0	0.0	0.0	100.0	0.0	SO	Nov 2009	2,750	yes (insignificant)

6 Vacancy rate as at 31.12.2019 as a % of target rental income.
7 Data as at 31.12.2019 as a % of the total rentable area.
8 SO: sole ownership; con: condominiums.
9 Share in investment property.

Details of commercial properties

Location, address	Economic area[1]	Property description[2]	Fair value in TCHF[3]	Built	Year renovated	Gross yield in %[4]	Target rental income in TCHF[5]
Lausanne, Rue du Port-Franc 17	F	com	17,400	2002		5.7	992
Lausanne, Rue du Port-Franc 20; Rue de Genève 33	F	com	42,430	2007		4.4	1,869
Lausanne, Rue du Port-Franc 22; Rue de la Vigie 1	F	com	21,570	2007		4.7	1,008
Lausanne, Voie du Chariot 3	F	com	16,610	2008		4.3	711
Lausanne, Voie du Chariot 4/6	F	com	37,690	2008		2.3	883
Lausanne, Voie du Chariot 5/7	F	com	36,770	2008		4.6	1,708
St. Gallen, Schochengasse 6	E	com	18,130	1974	2000	6.1	1,114
St. Gallen, St. Leonhardstrasse 22	E	com	5,900	1900	2002/2006	4.6	271
St. Gallen, Wassergasse 42/44	E	com	16,630	1966	2000	6.2	1,025
St. Gallen, Wassergasse 50/52	E	com	13,540	1998		6.2	836
Winterthur, Industriestrasse 26	ZH	com	19,190	1994	2002	8.2	1,576
Zurich, Friedaustrasse 17	ZH	com	15,370	1968	2013	4.5	688
Zurich, Hardturmstrasse 3/3a/3b (Mobimo-Hochhaus)	ZH	com	66,120	1974	2001/2008	4.8	3,163
Zurich, Rautistrasse 12	ZH	com	21,820	1972	2011	5.8	1,272
Zurich, Thurgauerstrasse 23; Siewerdtstrasse 25	ZH	com	14,640	1963/1968/1985	1998	6.3	928
Zurich, Turbinenstrasse 20 (Mobimo Tower Hotel)	ZH	com/h	123,670	2011		5.7	7,107
59 commercial investment properties			**1,365,190**			**5.2**	**70,678**
Lausanne, Avenue d'Ouchy 4 – 6	F	com	59,500	1962		4.9	2,929
Lausanne, Rue de Genève 19	F	com	3,550	1893	2002	19.9	705
Lausanne, Rue de Genève 21	F	com	3,480	1902		22.6	785
Lausanne, Rue des Côtes-de-Montbenon 14	F	com	1,230	1963		3.1	38
St. Erhard, Längmatt[3]	C	com	4,430	1979		10.3	458
Zurich, Im Tiergarten 7	ZH	res[9]	22,670	1992	1999	6.6	1,499
6 commercial development properties			**94,860**			**6.8**	**6,415**

The acquisition costs for the commercial investment properties total **TCHF 1,241,370.**
The acquisition costs for the development properties (commercial) total **TCHF 117,080.**

1 C: Central Switzerland; E: Eastern Switzerland; F: French-speaking Switzerland; ZH: Zurich area. Economic area-related overviews are presented on pages 11 to 13.
2 Com: commercial property; h: Hotel; res: residential property.
3 Excluding right-of-use asset.
4 Target rental income as at 31.12.2019 as a % of market value.
5 Including building right interest.

Vacancy rate in %[6]	Total rentable area in m^2	Office space in %[7]	Sales space in %[7]	Commercial space in %[7]	Residential space in %[7]	Other in %[7]	Vacant area in %[7]	Ownership[8]	Acquired	Site area in m^2	Register of polluted sites
0.0	2,559	48.1	9.5	0.0	20.9	21.5	0.0	SO	Nov 2009	1,096	yes (insignificant)
0.1	6,081	54.9	22.5	0.0	0.0	22.6	4.6	SO	Nov 2009	4,150	yes (insignificant)
0.0	3,369	87.8	12.2	0.0	0.0	0.0	0.0	SO	Nov 2009	1,441	yes (insignificant)
0.0	2,074	80.6	9.2	0.0	0.0	10.2	0.0	SO	Nov 2009	993	yes (insignificant)
0.0	2,383	52.2	15.6	0.0	0.0	32.2	0.0	SO	Nov 2009	2,417	yes (insignificant)
0.0	5,049	53.8	16.2	0.0	15.3	14.7	0.0	SO	Nov 2009	2,190	yes (insignificant)
0.5	4,458	95.4	0.0	0.0	0.0	4.6	1.7	SO	Feb 2004	1,315	no
0.0	1,092	79.1	12.7	0.0	0.0	8.2	0.0	SO	Dec 2004	219	no
10.4	3,965	86.3	0.0	0.0	9.3	4.4	12.3	con (867/1000)	Feb 2004	1,713	no
0.0	3,554	72.3	0.0	0.0	0.0	27.7	0.0	SO	Feb 2004	1,372	no
31.9	11,327	64.6	0.8	20.4	0.0	14.2	32.4	SO	Oct 1999	3,583	yes (to review)
0.3	2,572	57.2	0.0	12.1	10.1	20.6	0.0	SO	Oct 1998	869	no
0.0	8,226	94.4	0.0	0.0	0.0	5.6	0.0	SO	Nov 1999	1,975	yes
2.0	6,018	76.7	9.5	4.7	1.3	7.8	2.0	SO	Nov 1999	1,894	yes (petrol station)
9.0	3,902	59.1	6.8	6.9	0.0	27.2	8.8	SO	Mar 2002	2,651	no
0.0	21,254	0.0	0.0	0.0	0.0	100.0	0.0	con (546/1000)	May 2008	5,808	no
3.8	**308,505**	**33.0**	**14.3**	**18.2**	**5.5**	**29.0**	**5.4**			**204,523**	
6.9	25,614	51.2	8.8	0.3	0.0	39.7	29.7	SO	May 2010	12,612	yes (to review)
77.4	3,548	0.3	16.9	1.2	0.0	81.6	60.5	SO	Nov 2009	1,555	yes (insignificant)
96.9	3,551	7.8	1.3	0.0	0.0	90.9	84.3	SO	Nov 2009	1,567	yes (insignificant)
0.0	725	0.0	100.0	0.0	0.0	0.0	0.0	SO	Nov 2009	662	yes (to review)
54.7	4,405	5.2	0.0	90.8	0.0	4.0	45.8	SO	Oct 2012	5,801	no
90.1	6,003	65.6	0.0	0.0	0.0	34.4	84.8	SO	Feb 2014	6,380	no
48.5	**43,846**	**40.1**	**8.2**	**9.4**	**0.0**	**42.3**	**45.3**			**28,577**	

6 Vacancy rate as at 31.12.2019 as a % of target rental income.
7 Data as at 31.12.2019 as a % of the total rentable area.
8 SO: sole ownership; con: condominiums.
9 Conversion planned (from commercial property to residential property).

Details of residential properties

Location, address	Economic area[1]	Property description[2]	Fair value in TCHF	Built	Year renovated	Gross yield in %[3]	Target rental income in TCHF
Aarau, Aeschbachweg 2	NW	res/com	26,380	2018		4.9	1,285
Aarau, Aeschbachweg 12	NW	res/com	24,440	2018		4.0	984
Aarau, Buchserstrasse 9/11	NW	res/com	20,360	2018		4.4	894
Aarau, Buchserstrasse 15	NW	res/com	14,760	2018		4.4	654
Affoltern am Albis, Alte Obfelderstrasse 31 – 35	ZH	res	31,630	2013		3.8	1,191
Au, Alte Landstrasse 93 – 99	ZH	res	56,100	1974/1975	2016/2017	3.3	1,853
Bergdietikon, Baltenschwilerstrasse 3/5/7/9/11/13/15/17	NW	res	25,330	1973/1980	1992/2007	3.8	971
Carouge, Rue de la Fontenette 13	F	res	8,080	1973	2014	4.4	355
Geneva, Boulevard de la Cluse 18	F	res	6,580	1951		4.1	267
Geneva, Rue Chandieu 5	F	res	13,670	1976	2005	4.1	557
Geneva, Rue de la Canonnière 11	F	res	9,070	1951	2005/2010/2011/2013	4.5	411
Geneva, Rue de la Ferme 6	F	res	7,250	1900	2008/2010/2012/2014	4.4	320
Geneva, Rue de la Poterie 34	F	res	3,770	1895	2012	4.7	176
Geneva, Rue de l'Ecole-de-Médecine 3	F	res	4,080	1900	2014	5.0	203
Geneva, Rue de Malatrex 30	F	res	9,760	1951	2012	4.9	481
Geneva, Rue de Vermont 9	F	res	7,660	1969	2014	5.5	420
Geneva, Rue des Confessions 9	F	res	8,520	1923	2013	3.7	311
Geneva, Rue des Cordiers 5	F	res	19,750	1965	2008	4.2	830
Geneva, Rue des Photographes 12	F	res	4,860	1905	2013	4.3	208
Geneva, Rue Dr-Alfred-Vincent 23	F	res	4,370	1950	2010	4.3	186
Geneva, Rue du 31 Décembre 35	F	res	8,490	1956	2014	4.3	369
Geneva, Rue Henri-Blanvalet 14	F	res	6,400	1915	2012	4.4	283
Geneva, Rue Schaub 3	F	res	10,790	1960	2010	4.0	436
Geneva, Rue Zurlinden 6	F	res	12,110	1985	2012	4.4	539
Lausanne, Avenue d'Ouchy 70/76; Place de la Navigation 2	F	res/com	30,110	1895/1906/1907	2004	4.2	1,270
Lausanne, Rue Beau-Séjour 8	F	res	111,650	2011		3.7	4,137
Lausanne, Rue des Fontenailles 1	F	res	5,260	1910/1963	1993	3.7	196
Lausanne, Rue Voltaire 2 – 12	F	res	85,290	2015		3.3	2,835
Oberengstringen, Zürcherstrasse 1a, 1b, 3, 5	ZH	res	13,800	1963		3.5	478
Onex, Avenue des Grandes Communes 21/23/25	F	res	38,960	1964	2012/2014	4.7	1,847
Opfikon-Glattbrugg, Farmanstrasse 47/49	ZH	res	31,850	2008		3.4	1,087
Regensdorf, Schulstrasse 95/97/99/101/103/105	ZH	res	64,240	2015		3.6	2,290
Rheinfelden, Rütteliweg 8; Spitalhalde 40	NW	res	35,290	1972	2017	3.9	1,384
Schaffhausen, Hochstrasse 59, 69 – 75	ZH	res	13,440	1961	2000	4.3	581
Thalwil, Freiestrasse 23 – 37	ZH	res	31,560	1950/1972/1973	1990	3.1	974
Urdorf, In der Fadmatt 1 – 63; Uitikonerstrasse 22, 24	ZH	res[7]	101,470	1964 – 68/1991/1997	2017	3.8	3,870
Winterthur, Stockenerstrasse 54 – 84; Landvogt-Waser-Strasse 95 – 109	ZH	res[8]	30,670	1983/1984	2008	3.4	1,045
Winterthur, Wartstrasse 158 – 162; Blumenaustrasse 20, 22	ZH	res	46,080	2015/2016		3.2	1,497
Zurich, Hohlstrasse 481 – 485b; Albulastrasse 34 – 40	ZH	res/com	157,660	2018		3.2	5,116
Zurich, Katzenbachstrasse 239	ZH	res	6,630	1969		4.4	290
Zurich, Letzigraben 134 – 136	ZH	res	74,520	2016		3.0	2,256
41 residential investment properties			**1,222,690**			**3.7**	**45,338**

The acquistion costs for the residential investment properties total **TCHF 937,510.**

1 F: French-speaking Switzerland; NW: North-western Switzerland; ZH: Zurich area.
Economic area-related overviews are presented on pages 11 to 13.
2 Com: commercial property; res: residential property.
3 Target rental income as at 31.12.2019 as a % of market value.

Vacancy rate in %[4]	Total rentable area in m²	1 – 1½-room apartments	2 – 2½-room apartments	3 – 3½-room apartments	4 – 4½-room apartments	5 or more room apartments	Total apartments	Other forms of use in %[5]	Vacant area in %[5]	Ownership[6]	Acquired	Site area in m²	Register of polluted sites
6.6	4,090	0	28	21	0	0	49	0.6	1.6	SO	Oct 2006	4,056	yes (insignificant)
5.5	3,813	0	18	21	1	0	40	6.0	8.0	SO	Oct 2006	2,110	yes (insignificant)
37.3	3,524	3	9	12	3	3	30	1.2	41.0	SO	Oct 2006	2,027	yes (insignificant)
18.3	2,658	0	12	8	2	0	22	11.1	20.7	SO	Oct 2006	1,636	yes (insignificant)
0.1	4,706	0	1	15	26	0	42	0.8	0.0	SO	Aug 2011	5,174	no
1.6	6,922	0	21	47	21	0	89	0.5	1.4	con (966/1000)	Aug 2018	17,342	no
1.0	5,226	0	8	18	28	0	54	6.0	1.1	SO	Oct 2007	11,131	no
0.0	1,343	1	6	8	3	5	23	0.0	0.0	SO	Nov 2015	230	no
5.4	1,013	0	14	5	2	0	21	0.0	3.9	SO	Nov 2015	228	no
6.4	1,948	0	0	12	12	2	26	0.0	4.2	SO	Nov 2015	315	no
9.1	1,316	1	14	12	1	0	28	0.0	7.6	SO	Nov 2015	248	no
8.2	929	5	16	4	0	0	25	2.9	7.5	SO	Nov 2015	272	no
0.0	712	2	7	4	2	0	15	0.0	0.0	SO	Nov 2015	242	no
0.0	1,064	0	0	6	4	0	10	0.0	0.0	SO	Nov 2015	492	no
7.3	1,314	20	10	0	0	0	30	0.0	5.3	SO	Nov 2015	241	no
13.5	1,177	10	0	0	6	4	20	0.0	10.2	SO	Nov 2015	426	no
13.1	1,409	0	3	15	5	0	23	1.6	8.6	SO	Nov 2015	351	no
10.7	2,800	0	0	3	21	3	27	13.9	13.8	SO	Nov 2015	1,157	no
0.0	743	1	2	4	1	1	9	6.5	0.0	SO	Nov 2015	188	no
10.8	696	0	8	6	1	0	15	0.0	8.0	SO	Nov 2015	234	no
4.5	1,644	1	17	0	6	0	24	19.8	3.0	SO	Nov 2015	290	no
7.2	847	0	7	3	4	0	14	3.0	8.7	SO	Nov 2015	260	no
0.0	1,938	0	0	14	12	1	27	4.1	0.0	SO	Nov 2015	439	no
8.4	1,802	0	3	4	8	0	15	18.1	10.8	SO	Nov 2015	437	no
4.0	5,002	0	2	5	6	15	28	9.0	2.9	SO	Nov 2009	1,710	yes (insignificant)
4.1	10,288	0	19	55	16	11	101	3.3	4.8	SO	Nov 2009	3,758	yes (insignificant)
0.0	1,100	1	0	0	4	4	9	0.0	0.8	SO	Nov 2009/ Apr 2013	853	no
1.8	8,663	7	21	41	21	8	98	0.6	0.1	SO	Oct 2012	4,743	no
5.4	2,069	2	9	3	5	6	25	0.0	3.2	SO	Aug 2012	2,469	no
7.6	6,372	0	0	54	52	0	106	0.0	6.4	SO	Nov 2015	930	no
3.1	3,608	1	13	15	10	0	39	0.4	3.2	SO	Dec 2010	3,840	no
1.2	8,716	0	16	50	30	0	96	0.0	0.0	SO	Jun 2007	10,551	no
3.2	5,520	8	30	0	46	0	84	0.5	1.4	SO	Sep 2006	14,817	no
5.6	3,313	6	12	16	11	3	48	1.8	5.3	SO	Aug 2012	5,248	no
0.9	3,470	0	20	18	15	0	53	2.0	0.3	SO	Aug 2012	4,466	no
2.4	13,924	21	46	48	61	15	191	0.8	0.0	SO	Aug 2012	32,851	no
0.7	6,015	0	0	0	18	26	44	0.6	0.0	SO	Aug 2012	9,521	no
0.0	5,501	0	8	24	15	6	53	3.8	0.0	SO	Aug 2012	6,831	no
0.1	15,682	28	85	75	13	0	201	0.1	0.0	SO	Apr 2010	8,304	no
3.5	1,589	0	5	8	5	0	18	0.0	0.0	SO	Mar 2008	1,987	no
0.4	6,977	0	33	34	5	0	72	2.2	0.0	SO	Sep 2006	5,003	no
3.9	**161,443**	**118**	**523**	**688**	**502**	**113**	**1,944**	**2.3**	**3.4**			**167,408**	

4 Vacancy rate as at 31.12.2019 as a % of target rental income.
5 Data as at 31.12.2019 as a % of the total rentable area.
6 SO: sole ownership; con: condominiums.
7 Apartments and terraced homes.
8 Semi-detached and detached homes.

Details of investment properties under construction

Location, address	Economic area[1]	Description of property[2]	Fair value in TCHF	Built
Aarau, Bahnhofstrasse 102 (Relais 102)	NW	com	35,180	1975
Kriens, Am Mattenhof 4, 4a	C	com/res	35,690	2019
Kriens, Am Mattenhof 6	C	res/com	14,740	2019
Kriens, Am Mattenhof 8	C	com/res	20,080	2019
Kriens, Am Mattenhof 12/14	C	com/res	71,140	2019
Kriens, Am Mattenhof 16, 16a	C	com/h	42,940	2019
Lausanne, Avenue Edouard Dapples 9/13/15/15a	F	res	34,280	1925/1926
Lausanne, Rue de la Vigie 3	F	com	23,300	2019
Zurich, Friesenbergstrasse 75	ZH	com	66,010	1976
9 properties under construction			**343,360**	

Details of owner-occupied properties

Location, address	Economic area[1]	Description of property[2]	Carrying amount in TCHF[4]	Built
Küsnacht, Seestrasse 59[4]	ZH	com	9,014	2006
Lausanne, Rue de Genève 7	F	com[5]	2,732	1932
Lausanne, Rue des Côtes-de-Montbenon 16	F	com[5]	473	1912
3 properties[6]			**12,219**	

Details of major shareholdings

Location, address	Economic area[1]	Description of property[2]	Fair value in TCHF	Built
Lausanne, Rue de Genève 31 (Parking du Centre)	F	CP	34,275	2002
Lausanne, Rue du Port-Franc 16 (Flonplex)	F	multiplex cinema	9,068	2003
2 co-ownership properties			**43,343**	

1 C: Central Switzerland; NW: North-western Switzerland; F: French-speaking Switzerland; ZH: Zurich area.
Economic area-related overviews are presented on pages 11 to 13.
2 Com: commercial property; CP: multi-storey car park; h: hotel; res: residential property.
3 SO: sole ownership.
4 Excluding right-of-use asset and tenant improvements in a rented property in Küsnacht reported under owner-occupied properties (see Note 24).
5 Share in own use.
6 The target rental income for the owner-occupied properties is TCHF 1,020 for the economic area Zurich and TCHF 226 for the economic area French-speaking Switzerland.

Realisation period	Total rentable area in m²	Ownership[3]	Acquired	Site area in m²	Register of polluted sites
2018/2019	13,352	SO	Mar 2004	5,675	no
2016/2019	7,729	SO	Mar 2005/Feb 2013	2,828	no
2016/2019	2,681	SO	Mar 2005/Feb 2013	1,699	no
2016/2019	4,839	SO	Mar 2005/Feb 2013	1,995	no
2016/2019	13,521	SO	Mar 2005/Feb 2013	4,629	no
2016/2019	9,481	SO	Mar 2005/Feb 2013	3,295	no
2018/2020	7,231	SO	Apr 2013	5,246	no
2018/2019	4,646	SO	Nov 2009	1,567	yes (to review)
2019/2020	16,710	SO	Feb 2014	5,152	no
	80,190			**32,086**	

Year renovated	Total rentable area in m²	Ownership[3]	Acquired	Site area in m²	Register of polluted sites
	2,046	SO	Sep 2002	2,125	no
1992/2011	632	SO	Nov 2009	3,343	yes (insignificant)
2007	170	SO	Nov 2009	850	yes (insignificant)
	2,848			**6,318**	

Year renovated	Total rentable area in m²	Ownership	Acquired	Site area in m²	Register of polluted sites
	25,808	co-ownership 50%	Nov 2009	0	yes (insignificant)
	5,519	co-ownership 40%	Nov 2009	0	yes (insignificant)
	31,327				

KPMG

Statutory Auditor's Report

To the General Meeting of Mobimo Holding AG, Lucerne

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mobimo Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2019 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 50 to 117) give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under these 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, as well as the IESBA Code of Ethics for Professional Accountants, 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.

Key Audit Matters

Valuation of investment properties

Valuation of development projects and trading properties

TAX **Completeness and accuracy of deferred tax liabilities**

Key audit matters are those matters that, in our professional judgment, 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.

KPMG

Valuation of investment properties

Key Audit Matter

Investment properties in the amount of TCHF 3'028'240 constitute a material component of the balance sheet. As at 31 December 2019, these had the following fair values (in TCHF):

– Commercial properties	1'366'910
– Residential properties	1'222'690
– Development properties	95'280
– Investment properties under construction	343'360

Investment properties are measured at fair value as of reporting date.

The annual valuation of investment properties is carried out by external valuation experts. The fair value estimated using a discounted cash flow model is materially influenced by management assumptions and estimates regarding expected future cash flows and the discount rate applied to each property based on its specific opportunities and risks.

Furthermore, due to the current negative interest rate environment, it can be observed that institutional investors are in some cases buying residential properties at good locations offering very low yields because little else is available. This unforeseeable investor behavior could result in some properties realizing sales prices that deviate from the most recent estimates of fair value.

Our response

Our audit included an assessment of the competence and independence of the external valuation experts. We attended the valuation meetings with the external valuation experts to discuss the valuation methodology and selected parameters relevant to the valuation. We used our own real estate valuation specialists to support our procedures.

Based on a sample selected according to qualitative and quantitative factors, our audit procedures included the following:

- Evaluation of the methodological accuracy of the model used to determine fair value;
- Challenging the key value-relevant parameters (in particular discount/ capitalization rate, market rents, vacancy levels and management, maintenance, construction and refurbishment costs) based on past figures, benchmarks, publicly available information and our market estimates;
- Critical assessment of the disclosed sensitivities of the fair values of investment properties to a change in the input factors (in particular the discount/capitalization rate).

For further information on the valuation of investment properties, refer to note 5 to the consolidated financial statements on pages 65 to 71 and the reports of the independent valuation experts Jones Lang Lasalle AG on pages 124 to 125.

Valuation of development projects and trading properties

Key Audit Matter

The balance sheet item Trading properties amounting to TCHF 259,332 and contract assets and liabilities in the amount of TCHF 15,854 and TCHF 5,297, respectively, are material balance sheet components and will be explained under the heading “Development projects and trading properties” in the Notes to the consolidated financial statements as of page 73.

Trading properties

This balance sheet item contains new building projects and development properties that are intended to be sold to third parties. No contracts with clients exist to date. Trading properties are valued at the lower of cost or fair value. With loss-making properties, the expected loss is recognised immediately.

Contract assets and liabilities

Receivables arising from notarised and thus enforceable contracts due to the sale of land, development properties and new buildings, as well as development services for third parties resulting from the revenue recognition over the time period in accordance with the project’s or service’s progress under IFRS 15 are recognized as contractual assets and liabilities according to the net principle. On a project basis, the respective receivables are off-set with advance payments due.

Critical estimates and assumptions

The valuation of the trading properties is influenced by estimates and assumptions regarding the construction costs incurred and the future market developments.

In the case of contractual assets and liabilities, the full construction costs for each project as well as the project’s or the service’s progress need to assessed.

Decisions are also made as to whether sales are recorded over time or at a point in time.

Our response

Based on a sample selected according to qualitative and quantitative factors, our audit procedures included the following:

- Evaluation of recognized costs for selected projects in terms of eligibility for capitalization and allocation on the basis of the respective financial forecast;
- Identification of deviations between financial forecasts and the respective project accounts together with a critical assessment of these deviations through discussions with project managers, and reconciliation of actual costs with construction cost statements;
- Analysis of realizable values by inspecting the most recent sales contracts and comparing expected future costs, costs already capitalized and expected sales proceeds from remaining properties.

For projects where revenue was recognized over time, the following additional audit procedures were performed:

- Assessing whether the IFRS 15 criteria for revenue recognition over time are given;
- Tracing and reviewing the reasonableness of the project’s or service’s progress based on the actual construction costs and future costs to be incurred by interviewing the project manager and management;
- Reviewing whether the sales price matches the project’s statements and the payment receipts;
- Re-calculating of the project calculation.

For further information on the Valuation of development projects and trading properties, please consult the following sections of the Notes: no. 7 to 9 on pages 73-77.

KPMG

Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2019, deferred tax liabilities amounted to TCHF 198‘948.

Deferred taxes are recognized for temporary differences between the respective tax bases and the carrying amounts in the consolidated balance sheet. The measurement of deferred taxes takes account of the point in time when, and the manner in which, the asset or liability is expected to be realized or settled. The tax rates used are those that are enacted or substantially enacted at the reporting date. Deferred taxes result primarily from measurement differences between the fair values of investment properties and their values for tax purposes.

When calculating deferred tax liabilities, assumptions and estimates must be made regarding the investment costs relevant for tax purposes and the fair values of the properties, and the tax rates applicable at the time the difference is realized. If properties are held on a long-term basis, the investment costs relevant for tax purposes may be determined using an alternative measure instead of the actual investment costs, depending on the respective cantonal rules (e.g. fair value 20 years ago for Zurich properties). Moreover, in cantons with a separate property gains tax, the residual holding period of the properties has to be estimated based on Mobimo’s strategy.

Our response

In the course of our audit, we critically assessed the calculation of deferred taxes on investment properties with the support of our tax specialists.

Based on the overall portfolio, our audit procedures included the following:

- Evaluation of the methodology for calculating deferred tax liabilities;
- Critical assessment of the tax rates used in the calculation and estimated to be applicable in each canton at the time the temporary tax difference will be realized.

Based on a sample selected according to qualitative and quantitative factors, our procedures also included the following:

- Reconciliation of fair values with the valuation documentation and reconciliation of investment costs relevant for tax purposes with the fixed assets register or management’s detailed records;
- Testing the mathematical accuracy of the deferred tax calculation;
- Critical assessment of the residual holding periods estimated for individual properties with regard to their conforming to the strategy by reading the minutes of the Real Estate Committee.

Further information on the deferred tax liabilities may be seen in the Note to the consolidated financial statements, explanation no. 19 on pages 94 to 96.

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Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

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

Responsibility 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 IFRS, Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange 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, ISAs 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.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

KPMG

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 6 February 2020

Report of the independent valuation experts Jones Lang LaSalle AG

Mandate

Jones Lang LaSalle AG (JLL) was commissioned by Mobimo Holding AG to perform the valuation (market value) for accounting purposes of the investment properties owned by the companies of the Mobimo Group (Mobimo) as at 31 December 2019. The valuation concerns all investment properties (including development properties and investment properties under construction) except trading properties (development and sale of condominiums).

Valuation standard

JLL confirms that the valuations were carried out within the framework of common national and international standards and guidelines, in particular in accordance with the International Valuation Standards (IVS, RICS/Red Book) and the Swiss Valuation Standards (SVS). Furthermore, the valuations were realised according to the SIX Swiss Exchange requirements.

Accounting standard

The market values determined for the investment properties represent the fair value as defined in the International Financial Reporting Standards (IFRS) on the basis of IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability (debt) in an orderly transaction between market participants at the measurement date. An exit price is the selling price as stated in the purchase contract on which the parties have agreed. Transaction costs, typically consisting of brokerage commissions, transaction taxes and land registration and notary fees, are not taken into account in the fair value. The fair value is therefore, in accordance with clause 25 of IFRS 13, not corrected for the transaction costs incurred by the purchaser in a sale (gross fair value). This corresponds to the Swiss valuation practice.

The fair value valuation assumes that the hypothetical transaction for the asset being valued takes place on the market with the greatest volume and the largest business activity (principal market), as well as that transactions of sufficient frequency and volume occur so that sufficient pricing information is available for the market (active market). If such a market cannot be identified, a market for the asset is assumed that would maximise the selling price.

Realisation of fair value

The fair value is determined on the basis of the best possible use of a property (highest and best use). The best use is the use that maximises the property's value. This assumption of use must be technically/physically possible, legally permissible and financially feasible. As maximisation of utility is assumed in the determination of fair value, the highest and best use may differ from the actual or planned use. Future capital expenditure that will improve or increase the value of a property is taken into account appropriately in the fair value measurement.

The application of the highest and best use approach is based on the principle of materiality of the potential difference in value in relation to the value of the individual property and of the total real estate assets, as well as in relation to the possible absolute value difference. Potential increased real estate values that lie within the usual valuation tolerance of a single valuation are considered to be insignificant and are disregarded as a result.

The determination of fair value is dependent on the quality and reliability of measurement parameters, with decreasing quality and reliability: Level 1 market prices, Level 2 modified market prices and Level 3 model-based valuation. For a fair value appraisal of a property, different levels for different application parameters can be applied simultaneously. In such cases, the entire valuation is classified according to the lowest level of the fair value hierarchy that contains the major valuation parameters.

The investment properties of Mobimo are valued with a model-based valuation in accordance with Level 3, on the basis of input parameters not directly observable on the market. Adjusted Level 2 inputs (e.g. market rents, operational and maintenance costs, discount/capitalisation rates) are overlaid onto this. Non-observable inputs are only used when relevant observable inputs are not available.

The methodologies applied are appropriate in every circumstance and chosen in function of data availability, whereby the use of relevant observable inputs is maximised and use of non-observable inputs is minimised.

Valuation method

JLL values the investment properties of Mobimo Holding AG using the discounted cash flow (DCF) method. This determines the yield potential of a property on the basis of future income and expenditure. The resulting cash flows correspond to the current and projected net cash flows after deduction of all costs not recoverable from the tenant (before taxes and borrowing costs). The annual cash flows are discounted to the valuation date. The discount rate used is based on the interest rate on long-term, risk-free investments, such as a 10-year federal bond, plus a specific risk premium. This takes into account market risks and the higher illiquidity of properties compared with federal bonds. The discount rates vary according to the macro and micro situation and property segment.

In valuing the investment properties under construction, the residual valuation method can be applied. Under this method, the total construction costs of the project are subtracted from the future market value after completion. The underlying costs are related to preliminary works (e.g. demolition and infrastructural requirements), building and ancillary costs, and financing costs. After subtracting these costs from the market value after completion, taking into account the risk and time effect, a residual remains, which represents the economically justifiable amount to acquire the project.

Basis of the valuations

All properties are known to JLL through the inspections carried out and the documents provided. JLL conducted an analysis in terms of quality and risks (attractiveness and lettability of the rented premises, construction and condition, micro and macro location).

As a part of the revaluation services, JLL intends to inspect all investment properties every three years on a rolling basis. Furthermore, properties affected by major changes (e.g. completion of large renovation projects) compared with the former reporting period will also be visited, after consultation with Mobimo.

JLL confirms that all properties have been inspected in the last three years.

Valuation result

Taking into account the above statements, as at 31 December 2019 JLL assessed the market value of the 115 investment properties (including development properties and investment properties under construction) owned by Mobimo as follows:

Asset class	No.	Fair value
Commercial investment properties	59	CHF 1,365,190 000
Development properties	6	CHF 94,860,000
Residential investment properties	41	CHF 1,222,690,000
Investment properties under construction	9	CHF 343,360,000
Total investment properties	**115**	**CHF 3,026,100,000**

The valuation result in words:
Three billion twenty-six million one hundred thousand Swiss francs.

Changes during the reporting period

Within the reporting period from 1 January 2019 to 31 December 2019, the following commercial investment property was sold:

› Treichlerstrasse 10, Dolderstrasse 16, Zurich

Over the same period the residential investment properties Avenue d'Ouchy 70, Avenue d'Ouchy 76, Place de la Navigation 2, Lausanne were combined into one property. Furthermore, the property site 2 (Torfeld Süd), Aarau was divided into the five properties Aeschbachweg 2, Aeschbachweg 12, Buchserstrasse 9/11, Buchserstrasse 15 and Aeschbachweg 6/8, Aarau.

The properties Aeschbachweg 2, Aeschbachweg 12, Buchserstrasse 9/11, Buchserstrasse 15, Aarau were reclassified from investment properties under construction to residential investment properties. The properties Aeschbachweg 6/8, Aarau and Seestrasse 93, Horgen were reclassified from investment properties under construction to commercial investment properties. The property Rue du Port-Franc 20; Rue de Genève 33, Lausanne was reclassified from development properties to commercial investment properties. The property Längmatt 3, St. Erhard was reclassified from trading properties to development properties. The Property Brunnmatt 4/6/8, Cham was reclassified from trading properties to commercial investment properties.

Independence and purpose

In accordance with the business policy of JLL, the valuation of the properties held by subsidiaries of Mobimo Holding AG has been conducted independently and neutrally. It serves only the purpose previously mentioned. JLL assumes no liability to third parties.

The remuneration for the valuation services is independent of the valuation result and is based on consistent fee rates per property.

Jones Lang LaSalle AG
Zurich, 13 January 2020

Jan P. Eckert, MRICS
CEO Switzerland

Daniel Macht, MRICS
Senior Vice President

Appendix: valuation model and assumptions

Valuation model

JLL's DCF model is a two-phase model that determines the market value of the properties based on future cash flows. Based on a forecast of future income and expenditure over a detailed analysis period of ten years, the potential annual target rental income is identified and reduced by costs that cannot be passed on to tenants. The resulting cash flows thus correspond to the projected net cash flows after deduction of all costs not recoverable from tenants, but before financing and taxes. At the end of the detailed analysis period, a residual value (exit value) is determined on the basis of a perpetual annuity from the exit cash flow, as well as taking into account the future repair works incumbent on the owner. The market value is the sum of the net cash flows discounted to the valuation date over the detailed analysis period and the discounted residual value.

Discount and capitalisation rate

The discount rate used for the valuation is based on the interest rate on long-term, risk-free investments, such as a 10-year federal bond, plus a specific risk premium that takes into consideration the current situation in the transaction market in addition to the usage, location and size of the property. This risk premium thus takes into account market risks and the higher illiquidity associated with properties compared with federal bonds. The yield difference (spread) between a federal bond and a property investment is regularly verified by JLL on the basis of property transactions.

The nominal discount and real capitalisation rates are differentiated according to property with regard to macro and micro situation as well as property segments:

Asset class	Input factors	Minimum	Weighted average	Maximum
Commercial investment properties	Discount rate (nominal)	3.7%	4.2%	6.2%
	Capitalisation rate (real)	3.2%	3.7%	5.7%
Development properties	Discount rate (nominal)	3.6%	4.2%	5.5%
	Capitalisation rate (real)	3.1%	3.7%	5.0%
Residential investment properties	Discount rate (nominal)	3.0%	3.3%	3.6%
	Capitalisation rate (real)	2.5%	2.8%	3.1%
Investment properties under construction	Discount rate (nominal)	3.4%	4.2%	4.6%
	Capitalisation rate (real)	2.9%	3.7%	4.1%
Total investment properties	**Discount rate (nominal)**	**3.0%**	**3.8%**	**6.2%**
	Capitalisation rate (real)	**2.5%**	**3.3%**	**5.7%**

Rental income

The valuations are based on the rental income at the valuation date of 31 December 2019. Starting from the current contractual rent, the annual target rental income and the time for its realisation are estimated. This assumption takes into consideration possible temporary rental controls due to the cantonal Residential Property Demolition, Conversion and Renovation Acts (LDTR, LPPPL) as well as the risk of new tenants contesting higher rents, without modelling these in detail. In the case of expiring commercial leases, sustainable market rents as assessed from today's point of view are applied. The market rents are based on the rental price databases and the property research of JLL. Usually the lower of market rent and contract rent is used for tenant-side lease renewal options.

Indexing

Rents for office and commercial spaces are normally linked to the national consumer price index (CPI), while rents for apartments are linked to the change in the reference interest rate calculated quarterly by the Swiss National Bank, but also include an inflation factor. Based on the forecasts of the relevant economic research agencies (KOF, BAK, SECO) for the trends in the CPI and mortgage interest rates, estimates are regularly made by JLL for the future indexing of the contractual rent, whereby the same assumptions are used for all valuations that are made on the same valuation date.

For the valuations on the valuation date, JLL assumed an annual increase of 0.50% in the first ten years in both commercial and residential rents. The contractually agreed percentage rates are taken into account in the valuations for each rental unit. The future rental income is linked 100% to the estimated inflation rate in cases of lack of information. The same growth rates are generally used for the future change in the market rents assessed from today's point of view as sustainable.

Vacancy

For expiring leases of retail and office spaces, a property and segment-specific vacancy is applied. This absorption time (vacancy in months after contract-end) is specifically determined for each property and usually lies between six and twelve months. In special cases longer or shorter re-letting scenarios can also be applied. The general vacancy risk is taken into consideration with a structural vacancy rate, which is also applied specifically to the property.

The market value determination of properties that are completely or partially vacant takes place on the assumption that re-letting will take a certain amount of time. Rent losses, rent-free periods and other incentives for new tenants that correspond to market standards at the date of valuation are taken into account in the assessment.

In the case of residential properties, no specific vacancies are usually applied, since the leases are usually open-ended. The normal tenant fluctuation is taken into account with the help of structural vacancies, which are applied specifically to the property.

Operating costs

The property operating costs are based in principle on the respective property accounts. The non-recoverable costs concern operating and maintenance costs that cannot be passed on to tenants due to contractual conditions or running costs that the owner must bear due to vacancy. JLL models all future running costs on the basis of the analysis of the historical figures and benchmarks.

Repair costs

As well as rental income, future repair costs are also very important. The investments considered during the ten-year DCF analysis period are based in part on the projections of the landlord or the property management company, plausibility-tested in advance by JLL.

The capital expenditure that will be needed on a long-term basis is calculated specifically for the property for the determination of the exit value on the assumption that, depending on the building method and use of the property, various parts of the building have limited life spans and therefore must be renewed cyclically. The amount converted into a capital expenditure fund in the exit year considers only the cost of the ongoing renovation of the property, which secures on a long-term basis the contractual and market rents on which the valuation is based.

Basis of valuation of investment properties under construction

As a basis for the valuation of the investment properties under construction, Mobimo provides capital budgets and further project documentation, which give detailed information about the project status (construction status, letting status), project development and construction costs already incurred or estimated and deadlines (expected completion date). JLL conducts plausibility checks on the documentation provided and feeds these into the valuations.

Balance sheet

TCHF	Note	2019	2018
Assets			
Current assets			
Cash		8,291	9,569
Other current receivables – third parties		0	829
Other current receivables – participations		9,377	10,670
Accrued income and prepaid expenses – third parties		116	104
Total current assets		**17,784**	**21,172**
Non-current assets			
Financial assets			
› Loans – participations		929,776	953,200
Participations	2	565,545	543,436
Total non-current assets		**1,495,320**	**1,496,635**
Total assets		**1,513,104**	**1,517,808**

TCHF	Note	2019	2018
Equity and liabilities			
Liabilities			
Current liabilities			
Trade payables – third parties		270	342
Other current liabilities – third parties		784	382
Other current liabilities – participations		0	415
Accrued expenses and deferred income – third parties		5,401	5,429
Accrued expenses and deferred income – governing bodies		85	85
Total current liabilities		**6,540**	**6,653**
Non-current liabilities			
Non-current interest-bearing liabilities – bonds	3	730,000	730,000
Total non-current liabilities		**730,000**	**730,000**
Total liabilities		**736,540**	**736,653**
Equity	4		
Share capital		154,476	154,476
Statutory capital reserves			
› Capital contribution reserve		18,765	84,747
Statutory retained earnings			
› General legal reserves		45,799	45,799
Voluntary retained earnings			
Retained earnings			
› Profit carried forward		497,349	432,831
› Profit for the year		61,286	64,518
Treasury shares		–1,110	–1,216
Total equity		**776,565**	**781,155**
Total equity and liabilities		**1,513,104**	**1,517,808**

Income statement

TCHF	Note	2019	2018
Income from participations		58,000	60,600
Income from cost charges – participations		1,944	2,639
Financial income – participations		14,105	16,498
Financial income – third parties		5	41
Total income		**74,053**	**79,778**
Personnel expenses	5	–1,129	–1,301
Administrative expenses – third parties		–1,953	–2,722
Interest expense for bonds		–9,093	–10,668
Other financial expense – third parties		–108	–110
Direct taxes		–484	–460
Total expenses		**–12,767**	**–15,261**
Profit for the year		**61,286**	**64,518**

Notes to the annual financial statements

1. General information

The annual financial statements of Mobimo Holding AG, with its registered office in Lucerne, were prepared in accordance with the provisions of Swiss accounting and financial reporting law (title 32 of the Swiss Code of Obligations). The main valuation principles used that are not prescribed by law are listed at the beginning of the relevant note.

The consolidated annual financial statements of Mobimo Holding AG are prepared in accordance with International Financial Reporting Standards (IFRS). These annual financial statements therefore do not contain any additional disclosures, a cash flow statement or management commentary.

All amounts are shown in thousands of Swiss francs (TCHF), unless stated otherwise. The sums and totals of the individual positions may be larger or smaller than 100% due to rounding.

2. Equity investments

Name	Registered office	Share capital 2019 in TCHF	Equity interest in %	Share capital 2018 in TCHF	Equity interest in %
Directly held participations					
Mobimo AG	Küsnacht	72,000	100.0	72,000	100.0
Mobimo Management AG	Küsnacht	100	100.0	100	100.0
Mobimo FM Service AG	Küsnacht	100	100.0	100	100.0
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.0	12,000	100.0
Immobilien Invest Holding AG[1]	Glarus	n/a	n/a	150	100.0
Immobiliengesellschaft Fadmatt AG	Küsnacht	3,260	100.0	3,260	100.0
BSS&M Real Estate AG[2]	Küsnacht	500	100.0	500	66.0
Kumag AG[3]	Küsnacht	300	100.0	n/a	n/a
Indirectly held participations					
Mobimo Zürich Nord AG	Küsnacht	100	100.0	100	100.0
LO Immeubles SA	Lausanne	2,000	100.0	2,000	100.0
Promisa SA	Lausanne	100	100.0	100	100.0
CC Management SA	Geneva	4,700	100.0	4,700	100.0
O4Real SA	Lausanne	1,000	100.0	1,000	100.0
Petit Mont-Riond SA	Lausanne	50	100.0	50	100.0
Indigo Suisse SA	Lausanne	6,000	50.0	6,000	50.0
Flonplex SA	Lausanne	2,000	40.0	2,000	40.0

1 As part of a restructuring within the scope of consolidation, Immobilien Invest Holding AG, Glarus was absorbed by LO Holding Lausanne-Ouchy SA, Lausanne with effect from 17 May 2019.
2 On 27 June 2019, Mobimo acquired the remaining 34% of the shares in BSS&M Real Estate AG, Küsnacht for around CHF 9.2 million. As such, it now holds 100% of the shares, meaning that as at the balance sheet date there were no longer any non-controlling interests in equity.
3 All shares in Kumag AG, Zurich were acquired on 25 July 2019.

Further information on the Group companies can be found in Note 32 to the consolidated annual financial statements.

3. Bonds

Accounting principles

Bonds are recognised in the balance sheet at nominal value. Issuance costs upon issue are offset against any premiums. Any resulting surplus is recognised in the balance sheet as accrued expenses and deferred income, whereas a negative figure is recognised in the income statement. The surplus carried in the balance sheet is depreciated over the remaining term of the bond.

A CHF 200 million bond maturing on 19 May 2021 was issued on 19 May 2014. The coupon is 1.625%.
A CHF 150 million bond maturing on 16 September 2024 was issued on 16 September 2014. The coupon is 1.875%.
A CHF 225 million bond maturing on 20 March 2026 was issued on 20 March 2017. The coupon is 0.75%.
A CHF 155 million bond maturing on 2 October 2023 was issued on 2 October 2018. The coupon is 0.875%.

4. Equity

Accounting principles

Treasury shares

Treasury shares are recognised in the balance sheet at the time of acquisition and at cost as a minus item in equity. The FIFO (first-in, first-out) principle is applied to determine the carrying amount in the event of a later resale.

Share capital

As at 31 December 2019, share capital stood at CHF 154.5 million and was composed of 6,601,547 registered shares with a nominal value of CHF 23.40 each. All outstanding shares – i.e. all shares in issue less treasury shares – are entitled to dividends and confer the right to one vote per share at the company's general meetings. There was no change in share capital in the year under review.
In the prior year, a nominal value reduction of CHF 34.8 million (CHF 5.60 per share, 6,218,170 shares) was carried out. In connection with the purchase of Immobiliengesellschaft Fadmatt AG, 383,377 new shares were issued in August 2018 by means of an authorised capital increase. This increased the share capital by CHF 9.0 million and the capital contribution reserves by CHF 84.6 million. These newly issued shares were used to settle part of the purchase price.

Treasury shares

As at 31 December 2019, the company held 4,382 treasury shares. Over the course of the financial year, the initial holding as at 1 January of 4,933 shares was increased through the purchase of a total of 1,050 shares at an average price of CHF 285.70. 1,601 shares were granted to the Board of Directors and management as part of their remuneration arrangements.

Capital contribution reserves

The Annual General Meeting of 2 April 2019 approved a distribution from the capital contribution reserves of CHF 10.00 per share for the 2018 financial year. This distribution from the capital contribution reserves of CHF 10.00 per share was paid out on 8 April 2019.

5. Participation rights for members of the Board of Directors

Accounting principles

The number of shares to which a Board member is entitled is calculated based on the share price applicable on the date of allocation. The value of the allocated shares is charged as a personnel expense to the income statement, while the difference between the share price and the carrying amount is reported in the financial result in accordance with the FIFO principle.

In the year under review, no shares were allocated to the Board of Directors. In the prior year, shares with a value of TCHF 30 were allocated to the Board of Directors as compensation. Further information can be found in Note 18 to the consolidated annual financial statements.

6. Shareholdings of members of the Board of Directors and Executive Board or related parties

As at 31 December 2019, the shareholdings of the members of the Board of Directors and the Executive Board or parties related to them were as set out below:

Name, function	No. of shares issued	No. of shares approved	Total 2019	Total 2018
BoD	**18,622**	**0**	**18,622**	**21,467**
Peter Schaub, BoD Chairman	120	0	120	120
Daniel Crausaz, BoD	1,947	0	1,947	2,087
Christoph Caviezel, BoD	6,512	0	6,512	n/a
Brian Fischer, BoD	1,066	0	1,066	1,915
Bernard Guillelmon, BoD	3,846	0	3,846	5,711
Wilhelm Hansen, BoD	5,121	0	5,121	5,121
Bernadette Koch, BoD	10	0	10	n/a
Peter Barandun, BoD	n/a	n/a	n/a	668
Georges Theiler, Ex BoD Chairman	n/a	n/a	n/a	5,845
Executive Board	**8,929**	**1,058**	**9,987**	**24,475**
Daniel Ducrey, CEO	0	265	265	n/a
Manuel Itten, CFO	6,129	240	6,369	7,511
Christoph Egli, Head of Property Management and Site Management	0	53	53	n/a
Vinzenz Manser, Head of Realisation	999	156	1,155	1,002
Marc Pointet, Head of Mobimo Suisse romande	1,602	188	1,790	1,607
Marco Tondel, Head of Development	199	156	355	202
Christoph Caviezel, Ex CEO	n/a	n/a	n/a	10,524
Thomas Stauber, Ex Head of Real Estate	n/a	n/a	n/a	3,629

Christoph Caviezel handed over responsibility for operational management in spring 2019 and was elected to the Board of Directors at the Annual General Meeting of 2 April 2019. Daniel Ducrey took over as his successor the day after the Annual General Meeting.
Georges Theiler and Peter Barandun stepped down from the Board of Directors with effect from 2 April 2019. Peter Schaub, previously Vice Chairman, was elected as the new Chairman of the Board of Directors, while Bernadette Koch was elected as a new member of the Board of Directors.
Thomas Stauber left the Executive Board with effect from 31 July 2019, while Christoph Egli has been a member of the Executive Board since 1 August 2019.

The approved number of shares from the profit-sharing entitlement of the Executive Board was based on the assumption that a ratio of 50% as stipulated in the compensation regulations applies.

7. Significant shareholders

As at the reporting date, the following shareholders held 3% or more of the shares and options in Mobimo Holding AG:

%	31.12.2019	31.12.2018
Credit Suisse Funds AG	5.50	3.10
BlackRock, Inc.	4.95	4.99
Pensionskasse des Kantons Zug	3.18	3.18
UBS Fund Management (Switzerland) AG	3.08	3.08
Dimensional Holding Inc.	3.00	3.00

8. Headcount

As a holding company, Mobimo Holding AG has no employees.

9. Contingent liabilities

Mobimo Holding AG forms a VAT group together with CC Management SA, Mobimo FM Service AG (formerly FM Service & Dienstleistungs AG), LO Holding Lausanne-Ouchy SA, LO Immeubles SA, Mobimo AG, Mobimo Management AG, Mobimo Zürich Nord AG, O4Real AG, Petit Mont-Riond SA, Promisa SA and Immobiliengesellschaft Fadmatt AG. Kumag AG and BSS&M Real Estate AG will be part of the Mobimo Holding AG VAT group from 1 January 2020. Mobimo Holding AG is jointly and severally liable for the liabilities arising from the VAT group.
As part of an external financing arrangement, Mobimo Holding AG gave an undertaking in a letter of comfort to ensure that Mobimo AG maintains equity of at least CHF 100 million.
Mobimo Holding AG is liable as joint and several debtor for all obligations of Mobimo Zürich Nord AG existing or arising in connection with a project of the latter.
As part of the purchase of the Dual Group, Mobimo Holding AG issued a guarantee for the subsidiary LO Holding Lausanne-Ouchy SA. This guarantee covers all future claims arising from this purchase up to a maximum of CHF 1.7 million.

10. Events after the reporting date

No significant events took place after the reporting date that would require adjustments to the carrying amounts of assets and liabilities or would require disclosure in this section.

Proposed appropriation of profit

TCHF	2019	2018
Balance brought forward	497,349	432,831
Profit for the year	61,286	64,518
Reversal of capital contribution reserves	0	66,015
Retained earnings	**558,634**	**563,364**
Treasury shares	–1,110	–1,216
Total available to the General Meeting	**557,524**	**562,148**
The Board of Directors proposes the following appropriation of profit to the General Meeting:		
Payment of a dividend in the form of a distribution of capital contribution reserves of	0	66,015
Carried forward to new account	558,634	497,349
Total appropriation of profit proposed	**558,634**	**563,364**
Treasury shares	–1,110	–1,216
Appropriation of profit proposed less treasury shares	**557,524**	**562,148**
Total dividend	0	66,015
Less share from capital contribution reserves	0	–66,015

The Board of Directors plans to propose a capital reduction of CHF 10.00 per share in form of a nominal value reduction on the upcoming General Meeting of 31 March 2020. Presumably the distribution will take place end of June after completion of the capital reduction proceeding.

Statutory Auditor's Report

To the General Meeting of Mobimo Holding AG, Lucerne

Report on the Audit of the Financial Statements

Opinion

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

In our opinion the financial statements (pages 128 to 134) for the year ended 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.

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.

Responsibility 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.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 6 February 2020

EPRA key performance measures

The Mobimo Group reports its key performance and cost ratio measures in accordance with the Best Practices Recommendations of the EPRA Reporting and Accounting Committee. The European Public Real Estate Association is an association of leading European property companies and is a partner of the FTSE EPRA/NAREIT index family, which added the Mobimo Holding AG share as one of its components on 20 June 2011. The figures published elsewhere by Mobimo on NAV, net initial yield and vacancy rates may deviate from the EPRA measures set out below, as Mobimo does not, for example, include the market value of trading properties, which are recognised at cost, and bases its calculations on effective rents. However, when calculating earnings per share Mobimo does take account of gains on the sale of trading and investment properties.

	A EPRA Earnings and EPRA Earnings per Share	Unit	2019	2018
	Earnings per IFRS income statement	**TCHF**	**103,161**	**90,623**
(i)	Changes in value of investment properties, development properties held for investment and other interests	TCHF	–51,547	–41,965
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	TCHF	–6,376	–29,026
(iii)	Profits or losses on sales of trading properties and development services adjusted	TCHF	15,631	21,867
(iv)	Tax on profits or losses on disposals	TCHF	–1,339	1,753
(v)	Negative goodwill/goodwill impairment	TCHF	n/a	n/a
(vi)	Changes in fair value of financial instruments and associated close-out costs	TCHF	–1,029	–3,257
(vii)	Acquisition costs on share deals and non-controlling joint venture interests	TCHF	n/a	n/a
(viii)	Deferred tax in respect of EPRA adjustments	TCHF	1,692	9,435
(ix)	Adjustments (i) to (viii) above in respect of joint ventures	TCHF	0	0
(x)	Non-controlling interests in respect of the above	TCHF	0	0
	EPRA Earnings	**TCHF**	**60,194**	**49,430**
	Average number of shares outstanding		6,597,864	6,353,960
	EPRA Earnings per Share	**CHF**	**9.12**	**7.78**

The definitions of the above key performance measures can be found at www.epra.com.

B EPRA Net Asset Value		Unit	31.12.2019	31.12.2018
NAV per consolidated financial statements		**TCHF**	**1,532,256**	**1,507,185**
Effect of exercise of options, convertibles and other equity instruments		TCHF	0	0
Diluted NAV after the exercise of options, convertibles and other equity instruments		**TCHF**	**1,532,256**	**1,507,185**
Include				
(i.a)	Revaluation of investment properties (if IAS 40 cost model is used)	TCHF	n/a	n/a
(i.b)	Revaluation of investment property under construction (IPUC) (if IAS 40 cost model is used)	TCHF	n/a	n/a
(i.c)	Revaluation of other non-current investments (owner-occupied properties and joint ventures)	TCHF	25,407	24,597
(ii)	Revaluation of tenant leases held as finance leases	TCHF	n/a	n/a
(iii)	Revaluation of trading properties	TCHF	2,894	4,547
Exclude				
(iv)	Fair value of financial instruments	TCHF	32,646	27,353
(v.a)	Deferred tax	TCHF	200,790	199,772
(v.b)	Goodwill as a result of deferred tax	TCHF	n/a	n/a
Adjustments to (i) to (v) in respect of joint ventures		TCHF	2,429	2,438
EPRA NAV		**TCHF**	**1,796,422**	**1,765,892**
Diluted No. of shares outstanding			6,597,165	6,596,614
EPRA NAV per Share		**CHF**	**272.30**	**267.70**

C Triple Net Asset Value (NNNAV)		Unit	31.12.2019	31.12.2018
EPRA NAV		**TCHF**	**1,796,422**	**1,765,892**
(i)	Fair value of derivative financial instruments	TCHF	–32,646	–27,353
(ii)	Fair value of financial liabilities	TCHF	–78,274	–61,902
(iii)	Deferred tax	TCHF	–204,778	–201,365
EPRA NNNAV		**TCHF**	**1,480,724**	**1,475,271**
Diluted No. of shares outstanding			6,597,165	6,596,614
EPRA NNNAV per Share		**CHF**	**224.45**	**223.64**

The definitions of the above key performance measures can be found at www.epra.com.

D EPRA Net Initial Yield	Unit	31.12.2019	31.12.2018
Investment properties – wholly owned	TCHF	3,026,100	2,870,070
Investment properties – share of joint ventures/funds	TCHF	43,343	42,896
Trading property	TCHF	259,332	194,861
Less developments	TCHF	–396,943	–348,037
Completed property portfolio	**TCHF**	**2,931,833**	**2,759,790**
Allowance for estimated purchasers' costs	TCHF	0	0
Gross up completed property portfolio valuation	**TCHF**	**2,931,833**	**2,759,790**
Annualised cash passing rental income	TCHF	127,508	125,404
Direct cost of investment properties	TCHF	–17,247	–20,336
Annualised net rents	**TCHF**	**110,261**	**105,067**
Add: additional notional rent expiration of rent-free periods or other lease incentives	TCHF	0	0
Topped-up net annualised rent	**TCHF**	**110,261**	**105,067**
EPRA net initial yield	**%**	**3.8**	**3.8**
EPRA "topped-up" net initial yield	**%**	**3.8**	**3.8**

E EPRA Vacancy Rate	Unit	31.12.2019	31.12.2018
Estimated rental income potential from vacant space	TCHF	4,449	3,069
Estimated rental income from overall portfolio	TCHF	116,016	106,078
EPRA Vacancy Rate	**%**	**3.8**	**2.9**

The definitions of the above key performance measures can be found at www.epra.com.

F EPRA Cost Ratios	Unit	2019	2018
EPRA Costs			
Administrative operating expense lines per IFRS income statement			
› Direct expenses for rented properties	TCHF	13,814	15,484
› Personnel expenses	TCHF	8,915	8,599
› Operating and administrative expenses	TCHF	3,293	2,369
EPRA Costs (including direct vacancy costs)	**TCHF**	**26,021**	**26,452**
Direct vacancy costs	TCHF	2,663	3,749
EPRA Costs (excluding direct vacancy costs)	**TCHF**	**23,359**	**22,703**
EPRA Rental Income			
Gross Rental Income less ground rent costs	TCHF	103,916	98,292
Gross Rental Income	**TCHF**	**103,916**	**98,292**
EPRA Cost Ratio (including direct vacancy costs)	**%**	**25.0**	**26.9**
EPRA Cost Ratio (excluding direct vacancy costs)	**%**	**22.5**	**23.1**

The definitions of the above key performance measures can be found at www.epra.com.

Five-year overview

	Unit	2015	2016	2017	2018	2019	Change in %
Results of operations							
Net rental income	CHF million	94.1	96.2	94.1	94.0	106.7	13.5
Profit on development projects and sale of trading properties	CHF million	5.5	23.9	24.7	6.2	3.0	–51.3
Profit on disposal of investment properties	CHF million	63.8	34.9	27.5	29.0	6.4	–78.0
EBIT	CHF million	170.4	200.3	142.3	133.6	134.0	0.3
EBIT excluding revaluation	CHF million	135.7	119.6	115.0	91.7	82.5	–10.0
Tax expense	CHF million	–34.1	–15.1	–24.4	–19.4	–5.1	–73.6
Profit	CHF million	105.0	159.4	91.5	90.3	103.1	14.2
Profit[1]	CHF million	103.9	158.7	91.6	90.6	103.2	13.8
Profit excluding revaluation[1]	CHF million	78.6	99.4	71.9	59.2	61.7	4.3
Financial position							
Non-current assets	CHF million	2,467.7	2,502.7	2,642.8	2,931.4	3,093.8	5.5
Current assets	CHF million	485.2	529.0	552.9	433.7	357.0	–17.7
Equity as at 31.12.	CHF million	1,264.7	1,366.3	1,399.1	1,513.5	1,532.3	1.2
Equity ratio	%	42.8	45.1	43.8	45.0	44.4	–1.3
Liabilities	CHF million	1,688.2	1,665.4	1,796.6	1,851.7	1,918.5	3.6
› current	CHF million	138.3	203.2	288.5	165.9	258.1	55.6
› non-current	CHF million	1,549.9	1,462.2	1,508.1	1,685.7	1,660.4	–1.5
Share figures							
Earnings per share	CHF	16.72	25.52	14.74	14.26	15.64	9.7
Earnings per share excluding revaluation	CHF	12.65	15.99	11.56	9.32	9.35	0.3
NAV per share (diluted)	CHF	202.45	217.33	222.58	228.48	232.26	1.7
Distribution yield	%	4.5	3.9	3.8	4.3	3.5	–18.6
Payout ratio	%	59.8	39.2	67.8	70.1	63.9	–8.8
Year-end price	CHF	222.70	254.75	261.50	234.00	288.50	23.3
Average number of shares traded per day	Number	11,638	10,035	7,516	7,439	11,256	51.3
Market capitalisation	CHF million	1,384.8	1,584.1	1,626.1	1,544.8	1,904.5	23.3
Share price – High	CHF	229.40	254.75	279.25	268.00	291.50	8.8
Share price – Low	CHF	190.50	206.10	250.25	217.00	234.00	7.8
Portfolio figures							
Overall portfolio	CHF million	2,654.6	2,765.6	2,799.1	3,077.9	3,297.7	7.1
› Investment properties[2]	CHF million	2,132.4	2,111.5	2,111.6	2,318.1	2,600.1	12.2
› Development properties[3]	CHF million	522.2	654.1	687.5	759.8	697.6	–8.2
Gross yield from investment properties	%	5.4	5.3	5.1	4.6	4.5	–2.2
Net yield from investment properties	%	4.3	4.1	4.0	3.7	3.7	0.0
Investment property vacancy rate	%	4.7	4.8	4.9	2.9	3.8	31.0

1 Attributable to the shareholders of Mobimo Holding AG.
2 Incl. owner-occupied properties and excl. tenant improvements (see Note 24 on page 98).
3 Excluding right-of-use assets.

Additional information

Publication overview

Annual report

Half-year report

Sustainability report

Mobimo publishes information on its business performance every six months. The annual report is available in German, English and French, with the French report being an abridged version. The half-year report is published in German and English. The sustainability report is released once a year in both German and English. The original German version is always binding.

All of the publications and further information are available at www.mobimo.ch.

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