

*Swiss Life Holding
Financial
Statements*

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Management Report

Swiss Life Holding generated a profit of CHF 719 million in the 2020 financial year (previous year CHF 758 million).

The annual profit mainly consisted of dividends, investment income and revenues from guaranteed benefits and commissions. Dividend payments from subsidiaries increased from CHF 670 million in the previous year to CHF 712 million, income from guaranteed benefits and commissions fell slightly from CHF 46 million to CHF 42 million and investment income declined from CHF 72 million to CHF 52 million. The decline in investment income is due to the sale of investments to finance the CHF 1 billion share buyback programme concluded in 2019.

As at the end of the year, Swiss Life Holding had assets (liquid funds, receivables from Group companies, debt securities, equities and investment funds) of CHF 1072 million (previous year: CHF 1057 million). Cash on hand declined to CHF 28 million (previous year: CHF 51 million) and receivables from Group companies rose to CHF 165 million (previous year: CHF 68 million). Debt securities, investment funds and equities amounted to CHF 879 million at year-end (previous year: CHF 938 million).

In its 2019 financial statements, Swiss Life announced an additional share buyback programme totalling CHF 400 million. At the end of March 2020, Swiss Life, like all other major listed banks and insurance companies in Switzerland, temporarily suspended its share buyback programme having repurchased 79 324 shares worth CHF 29 million. 1 580 215 treasury shares, which had been repurchased under the share buyback programme completed in 2019, were cancelled in the year under review. The number of outstanding shares as at the end of 2020 amounted to 32 014 391, of which 0.68% are held by Swiss Life Holding.

Swiss Life Holding's total distribution to shareholders in the period under review came to CHF 636 million, or CHF 20.00 per share, of which CHF 477 million (CHF 15.00 per share) took the form of an ordinary dividend and CHF 159 million (CHF 5.00 per share) a reduction in par value. As a result of this reduction, the par value of the share decreased to CHF 0.10 and the nominal share capital of Swiss Life Holding to CHF 3 million (previous year: CHF 171 million).

The long-term debt capital remained unchanged at CHF 1049 million. In the year under review, interest on long-term bonds totalled CHF 5 million (previous year CHF 6 million). With short-term repo transactions, Swiss Life Holding generated interest income of CHF 1 million (previous year: CHF 2 million).

New loans totalling CHF 93 million were awarded to Group units to finance real estate projects or smaller acquisitions. Including repayments of expired loans and payments under lines of credit granted, the outstanding amount decreased slightly to CHF 1589 million (previous year: CHF 1637 million).

Interest income declined to CHF 30 million (previous year: CHF 37 million) and earnings from investments in bonds and fund units to CHF 22 million (previous year: CHF 33 million). Both loans granted internally and external investments in foreign currencies are almost fully hedged with currency futures. The cost of hedging during the reporting period was CHF 7 million (2019: CHF 24 million). The investment book value remained almost unchanged during the year under review at CHF 3221 million.

Staff costs and operating expenses remained unchanged from the previous year at CHF 16 million. Tax expenses fell to CHF 7 million (previous year: CHF 32 million).

Statement of Income

Statement of income for the years ended 31 December

In CHF million

	2020	2019
Net income on non-current assets		
Dividends received	712	670
Realised gain/loss on non-current assets	1	30
Unrealised gain/loss on non-current assets	1	11
Other finance income	52	72
Other financial expense	-5	-6
Foreign currency gains/losses	10	-16
Total net income on non-current assets	771	761
Staff costs	-8	-6
Operating expense	-8	-10
Other profit from operations	42	46
Other operating expense	-71	-1
Income tax	-7	-32
ANNUAL PROFIT	719	758

Balance Sheet

Balance sheet

In CHF million

	31.12.2020	31.12.2019
ASSETS		
Cash and cash equivalents	28	51
Receivables from Group companies	165	68
Receivables from third parties	2	3
Accrued income	9	11
CURRENT ASSETS	203	132
Financial assets		
Debt securities	778	857
Shares	7	8
Investment funds	94	73
Loans to Group companies	1 589	1 637
Other investments	6	13
Participations	3 221	3 216
NON-CURRENT ASSETS	5 695	5 803
TOTAL ASSETS	5 898	5 935
LIABILITIES AND EQUITY		
Short-term debt capital		
Short-term liabilities due to Group companies	0	-
Short-term, interest-bearing liabilities due to third parties	46	194
Other short-term liabilities due to third parties	80	92
Accrued expenses	3	3
Short-term provisions	70	-
Long-term debt capital		
Senior bonds	1 049	1 049
LIABILITIES	1 248	1 338
Share capital	3	171
Statutory capital reserve		
Capital contribution reserve	181	181
Statutory retained earnings		
General reserves	33	33
Voluntary retained earnings		
Free reserves	3 756	4 242
Profit shown in the balance sheet		
Balance carried forward from previous year	27	-
Annual profit	719	758
Own capital shares	-69	-787
EQUITY	4 650	4 598
TOTAL LIABILITIES AND EQUITY	5 898	5 935

Notes to the Financial Statements

Accounting Rules

The 2020 Financial Statements were prepared in accordance with the provisions of Swiss accounting law (Title 32 of the Swiss Code of Obligations). Swiss Life Holding's Financial Statements are presented in millions of Swiss francs (CHF), which is the presentation currency. Figures may not add up exactly due to rounding.

Explanations on the balance sheet and statement of income

Participations

	31.12.2020			31.12.2019		
	Currency	Authorised share capital in 1000	Direct share	Currency	Authorised share capital in 1000	Direct share
Swiss Life Ltd, Zürich	CHF	587 350	100.00%	CHF	587 350	100.00%
Swiss Life Deutschland Holding GmbH, Hannover	EUR	25	100.00%	EUR	25	100.00%
Swiss Life Intellectual Property Management AG, Zürich	CHF	250	100.00%	CHF	250	100.00%
Swiss Life International Holding AG, Zürich	CHF	1 000	100.00%	CHF	1 000	100.00%
Swiss Life Investment Management Holding AG, Zürich	CHF	50 000	100.00%	CHF	50 000	100.00%
Swiss Life Schweiz Holding AG, Zürich	CHF	250	100.00%	CHF	250	100.00%
Swiss Life Finance I, Ruggell LI	CHF	100	100.00%	-	-	-

Loans to Group companies

CHF 713 million of the loans to Group companies is classified as subordinated.

Provisions

The provision of CHF 70 million was formed in relation to the expected resolution with the US Department of Justice (DOJ) inquiry concerning prior business with US clients. The discussions with the DOJ are not concluded and, as a result, the final number could be somewhat higher.

Major shareholders

BlackRock Inc., 55 East 52nd Street, New York 10055, USA, reported in a publication of 6 May 2017 that it held through various companies a total of 5.28% of the voting rights for Swiss Life Holding.

Share capital

As at 31 December 2020, the share capital of Swiss Life Holding (SLH) consisted of 32 014 391 fully-paid shares. As at 31 December 2019, Swiss Life Holding had 33 594 606 registered shares outstanding with a par value of CHF 5.10 per share. In accordance with a public deed, the par value was reduced to CHF 0.10 per share on 15 July 2020. Conditional share capital was CHF 385 794.80 as at 31 December 2020 (previous year: CHF 19 675 534.80). In exercising voting rights, no shareholder can collect more than 10% of the total share capital directly or indirectly in respect of his own shares and those he represents.

Statutory capital reserve

The statutory capital reserve consists of the capital contribution reserve. As at 31 December 2020, the capital contribution reserve was unchanged at CHF 181 million. Of this amount, CHF 4 million is recognised by the Federal Tax Administration, while the qualification of CHF 177 million for tax purposes is still pending and is to be reassessed according to future legal developments.

Statutory retained earnings

Statutory retained earnings comprise the general reserves.

Free reserves

This item comprises accumulated retained earnings which have not been distributed to the shareholders. In the year under review, CHF 254 million was allocated to the free reserve. In addition, the free reserve was reduced by CHF 740 million due to the cancellation of 1 580 215 shares, which took place on 15 July 2020.

Issue of senior bonds

Volume	Year of issue	Maturity	Coupon
CHF 200 millions	2013	2023	1.875%
CHF 250 millions	2019	2023	0.250%
CHF 200 millions	2019	2021	variable
CHF 250 millions	2019	2025	0.000%
CHF 150 millions	2019	2029	0.350%

Issue of two senior bonds in 2013

Two senior bonds for a total amount of CHF 425 million were issued on 21 June 2013, split into a tranche of CHF 225 million with a tenor of six years which was repaid on 21 June 2019 (coupon of 1.125%) and a tranche of CHF 200 million with a tenor of ten years until 2023 (coupon of 1.875%).

Issue of four senior bonds in 2019

On 6 December 2019, Swiss Life Holding placed three senior green bond tranches totalling CHF 600 million: a tranche of CHF 200 million with a tenor of two years and variable coupon (floor at 0.00%, cap at 0.05%), a tranche of CHF 250 million with a tenor of 5.5 years and a coupon of 0% and a tranche of CHF 150 million with a tenor of 9.25 years and a coupon of 0.35% p.a.

On 13 March 2019, Swiss Life Holding placed a senior bond amounting to CHF 250 million. The bond has a tenor of 4.6 years and a coupon of 0.25% p.a.

Treasury shares

In the year under review, the companies in the Swiss Life Group purchased 45 000 Swiss Life Holding shares at an average price of CHF 319.05. As at 31 December 2020, the Swiss Life Group held 139 808 treasury shares which are not part of the share buyback programme.

As part of the second share buyback programme, Swiss Life Holding purchased a total of 79 324 treasury shares at an average price of CHF 363.13. Over the same period, 1 580 215 shares were cancelled in the first share cancellation programme. The Swiss Life Group therefore held total 219 132 treasury shares as at 31 December 2020.

Contingent liabilities

Swiss Life Holding acts as warrantor for all Swiss Life Ltd liabilities with regard to the various tranches of the subordinated perpetual step-up loans (hybrid debt), which amounted to an equivalent value of CHF 4133 million at the balance sheet date. The guarantees are classified as subordinated at Swiss Life Holding.

Swiss Life Holding further provides capital guarantees for a maximum net asset value of CHF 1100 million to Swiss Life Ltd, CHF 141 million to Swiss Life Products, CHF 6 million to Swiss Life Liechtenstein and CHF 100 million to cover regulatory requirements at the level of subsidiaries.

In addition, under drawn credit lines Swiss Life Holding held liabilities totalling CHF 31 million for Swiss Life Products and credit lines totalling CHF 25 million for Corpus Sireo companies.

Financial assets pledged as collateral

Debt securities of CHF 45 million were pledged on the balance sheet date as part of a repurchase agreement (repo transactions). In this connection, additional debt securities totalling CHF 46 million were reserved for the liquidity-shortage financing facility (SNB EFF).

Statement of changes in equity for the years ended 31 December

In CHF million

	2020	2019
SHARE CAPITAL		
Balance as at 1 January	171	175
Reduction in par value (incl. cancellation of treasury shares)	-168	-3
TOTAL SHARE CAPITAL	3	171
STATUTORY CAPITAL RESERVE		
Balance as at 1 January	181	263
Distribution of profit from the capital contribution reserve	-	-83
Changes due to conversion of the convertible bond	-	-
TOTAL STATUTORY CAPITAL RESERVE	181	181
STATUTORY RETAINED EARNINGS		
General reserves		
Balance as at 1 January	33	33
Change	-	-
Total general reserves	33	33
TOTAL STATUTORY RETAINED EARNINGS	33	33
VOLUNTARY RETAINED EARNINGS		
Free reserves		
Balance as at 1 January	4 242	4 494
Allocation to free reserves	254	-
Distribution of profit from free reserves	-	-3
cancellation of treasury shares	-740	-249
Total free reserves	3 756	4 242
Profit shown in the balance sheet		
Balance as at 1 January	758	461
Allocation to free reserves	-254	-
Dividend	-477	-461
Annual profit	719	758
Total profit shown in the balance sheet	746	758
TOTAL VOLUNTARY RETAINED EARNINGS	4 502	5 000
OWN CAPITAL SHARES		
Balance as at 1 January	-787	-140
Change in own capital shares	718	-647
TOTAL OWN CAPITAL SHARES	-69	-787
TOTAL EQUITY	4 650	4 598

Number of full-time positions

As in the previous year, the number of full-time positions is not above 50 employees on average over the year.

Disclosure of compensation to the Board of Directors and the Corporate Executive Board in accordance with Art. 663b^{bis} of the Swiss Code of Obligations (CO) and Art. 14–16 of the Federal Ordinance against Excessive Compensation in Listed Stock Companies, and disclosure of the shareholdings of members of the Board of Directors and the Corporate Executive Board in accordance with Art. 663c of the CO

Compensation in 2020

The Board of Directors is responsible for drawing up a written compensation report each year to include the information required by Articles 14–16 of the Federal Ordinance against Excessive Compensation in Listed Stock Companies (Compensation Ordinance). This compensation report supersedes the details in the notes to the balance sheet according to Art. 663b^{bis} CO. Swiss Life's compensation report for the 2020 financial year is provided on pages 56 to 75.

The following tables contain information on the share ownership and participation rights of members of the Board of Directors and the Corporate Executive Board in accordance with Art. 663c CO.

Share ownership/participation rights as at 31 December 2020

As at 31 December 2020, acting members of the Board of Directors and the Corporate Executive Board (including closely linked parties) held the following number of registered Swiss Life Holding shares and future subscription rights to Swiss Life Holding shares in the form of Restricted Share Units (RSUs).

Board of Directors

	SLH shares 31.12.2020
Rolf Dörig, Chairman of the Board of Directors	32 056
Frank Schnewlin	5 904
Thomas Buess	25 987
Adrienne Corboud Fumagalli	906
Ueli Dietiker	1 339
Damir Filipovic	1 889
Frank W. Keuper	1 126
Stefan Loacker	1 015
Henry Peter	13 548
Martin Schmid	486
Franziska Tschudi Sauber	3 343
Klaus Tschütscher	1 164
TOTAL BOARD OF DIRECTORS	88 763

Corporate Executive Board

	SLH shares 31.12.2020
Patrick Frost, Group CEO	26 143
Matthias Aellig	4 043
Jörg Arnold	1 617
Nils Frowein	3 428
Markus Leibundgut	7 314
Stefan Mächler	6 316
Charles Relecom	1 764
TOTAL CORPORATE EXECUTIVE BOARD	50 625

	Restricted Share Units (RSUs) 31.12.2020 ¹
Patrick Frost, Group CEO	7 843
Matthias Aellig	3 840
Jörg Arnold	3 739
Nils Frowein	3 893
Markus Leibundgut	4 601
Stefan Mächler	4 270
Charles Relecom	4 151
TOTAL CORPORATE EXECUTIVE BOARD	32 337

¹ Total number of RSUs allocated in the years 2018, 2019 and 2020 in connection with the relevant equity compensation plan. The RSUs represent future subscription rights that entitle the individuals concerned to receive SLH shares after a period of three years, provided that the relevant conditions are met at that point. In addition to the reported shareholding, Thomas Buess held a total of 2861 RSUs as at the balance sheet date of 31 December 2020, which were allocated to him in 2018 and 2019 in the context of his former function as Group CFO and Member of the Corporate Executive Board of Swiss Life.

Share ownership/participation rights as at 31 December 2019

As at 31 December 2019, acting members of the Board of Directors and the Corporate Executive Board (including closely linked parties) held the following number of registered Swiss Life Holding shares and future subscription rights to Swiss Life Holding shares in the form of Restricted Share Units (RSUs).

Board of Directors

	SLH shares 31.12.2019
Rolf Dörig, Chairman of the Board of Directors	31 108
Frank Schnewlin	5 627
Thomas Buess ¹	24 224
Adrienne Corboud Fumagalli	794
Ueli Dietiker	1 156
Damir Filipovic	1 777
Frank W. Keuper	1 014
Stefan Loacker	848
Henry Peter	12 405
Martin Schmid	374
Franziska Tschudi Sauber	3 231
Klaus Tschütscher	1 037
TOTAL BOARD OF DIRECTORS	83 595

Corporate Executive Board

	SLH shares 31.12.2019
Patrick Frost, Group CEO	22 071
Matthias Aellig	2 623
Jörg Arnold	250
Nils Frowein	2 008
Markus Leibundgut	5 805
Stefan Mächler	4 807
Charles Relecom	1 644
TOTAL CORPORATE EXECUTIVE BOARD	39 208

	Restricted Share Units (RSUs) 31.12.2019 ¹
Patrick Frost, Group CEO	8 341
Matthias Aellig	3 934
Jörg Arnold	3 740
Nils Frowein	4 000
Markus Leibundgut	4 479
Stefan Mächler	4 307
Charles Relecom	4 205
TOTAL CORPORATE EXECUTIVE BOARD	33 006

¹ Total number of RSUs allocated in the years 2017, 2018 and 2019 in connection with the relevant equity compensation plan. The RSUs represent future subscription rights that entitle the individuals concerned to receive SLH shares after a period of three years, provided that the relevant conditions are met at that point. In addition to the reported shareholding, Thomas Buess held a total of 4512 RSUs as at the balance sheet date of 31 December 2019, which were allocated to him in 2017, 2018 and 2019 in the context of his former function as Group CFO and Member of the Corporate Executive Board of Swiss Life.

Appropriation of Profit

Profit and Appropriation of Profit

Annual profit amounts to CHF 719 091 523. The Board of Directors proposes to the General Meeting of Shareholders that the profit be appropriated in accordance with the table below. If this proposal is adopted, an ordinary dividend of CHF 21.00 per share will be made from profit.

The proposal of the Board of Directors to the General Meeting of Shareholders on 28 April 2021 is based on shares entitled to a dividend as at 31 December 2020. Thus, the effective dividend payment and the resulting balance carried forward from the previous year are calculated on the basis of the share capital issued on the last trading day prior to the dividend payment, less the own capital shares held at that time. The last trading day with entitlement to receive the distribution is 26 April 2021.

Profit shown in the balance sheet

In CHF

	2020	2019
Balance carried forward from previous year	373 786	-
Dividend not paid on treasury shares	26 652 960	-
Annual profit	719 091 523	758 292 876
TOTAL PROFIT SHOWN IN THE BALANCE SHEET	746 118 269	758 292 876

Appropriation of profit

In CHF

	2020	2019
Dividend	672 302 211	503 919 090
Allocation to legal reserves		
Allocation to free reserves	73 000 000	254 000 000
Withdrawal from the free reserves		
Balance carried forward to new account	816 058	373 786
TOTAL PROFIT SHOWN IN THE BALANCE SHEET	746 118 269	758 292 876

Zurich, 15 March 2021

For the Swiss Life Holding Board of Directors

Rolf Dörig

Frank Schnewlin

Report of the Statutory Auditor

Report of the statutory auditor

to the General Meeting of Swiss Life Holding Ltd

Zürich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Swiss Life Holding Ltd, which comprise the statement of income, balance sheet as at 31 December 2020, and notes for the year then ended, including accounting rules.

In our opinion, the financial statements (pages 329-337) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Overview



Overall materiality: CHF 59 Million

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

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

Valuation of participations



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Materiality

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

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

Overall materiality	CHF 59 Million
How we determined it	1% of sum of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company mainly holds participations in areas of insurance and financial services providers, as well as providing loans to group companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 5 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

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

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

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

Valuation of participations

Key audit matter	How our audit addressed the key audit matter
<p>Participations represent a significant amount of the balance sheet (CHF 3'221 million, 55% of total assets).</p> <p>Annually, management analyses participations to assess valuation adjustments. For the analysis significant judgement is applied, to determine assumptions, such as new business volume, commission income, cost development applied discount rates on projected cash flows. We consider our audit procedures in this area as particularly important, due to the size of the balance sheet position and level of significant assumptions.</p> <p>In accordance with the Swiss Code of Obligations, participations are valued with deductions for write-downs as necessary.</p> <p>Management test the valuation of individual participations through a comparison of the book value of each participation to the respective IFRS equity value. Management utilize the</p>	<p>Our audit work in the area of participations focused on the audit of management's analysis of valuation adjustments of participations as well as an assessment of assumptions used by management to determine the value in use.</p> <p>As part of our audit procedures, we compared the book value with the IFRS equity value or value in use. For material participations, we audited the IFRS equity value as part of the IFRS group audit. For immaterial participations, we performed an assessment of differences between the IFRS equity value and the statutory equity.</p> <p>For participations where the book value exceeds the IFRS equity value, we audited the underlying valuation analysis.</p> <p>We critically assessed and tested the financial budgets approved by management and the board of directors.</p>



equity value of each participation determined for the IFRS closings. As long as the IFRS equity value exceeds the book value of the participation, the conclusion is drawn that the valuation of the participation is sufficient.

In case that the IFRS equity value is below the book value of the participation, management performs an extensive valuation analysis and the value in use is compared to the book value of the participation. For the calculation of the value in use, an extensive valuation analysis using cash flow projections, based on mid-term planning approved by management and the board of directors, is performed.

As the actual cash flows naturally vary from planned projections, management have created detailed sensitivity analyses. The sensitivity analyses provide insights as to the valuation of the participation, when key assumptions, individually or as a whole, on which planned projections are based, are not met.

We critically assessed the additional sensitivity analyses prepared by management to ascertain the level of prudence used.

In addition, we, together with our valuation experts, assessed the main parameters used in the calculation of the weighted average cost of capital, from which the discount rate is derived. In particular, we identified the market data inputs used by management and compared these against independent data. As for the long-term growth rate used at the end of the mid-term planning period, we compared it to the economic environment and industry trends.

We consider the valuation approach, and the assumptions and parameters used within, as a reasonable and adequate basis for the management assessment of the participation value recorded on the balance sheet. The audit evidence obtained through our audit procedures was sufficient and suitable to assess the valuation of participations.

Responsibilities of the Board of Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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



Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Peter Eberli
Audit expert
Auditor in charge

Nebojsa Baratovic
Audit expert

Zürich, 15 March 2021

