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PROFILE

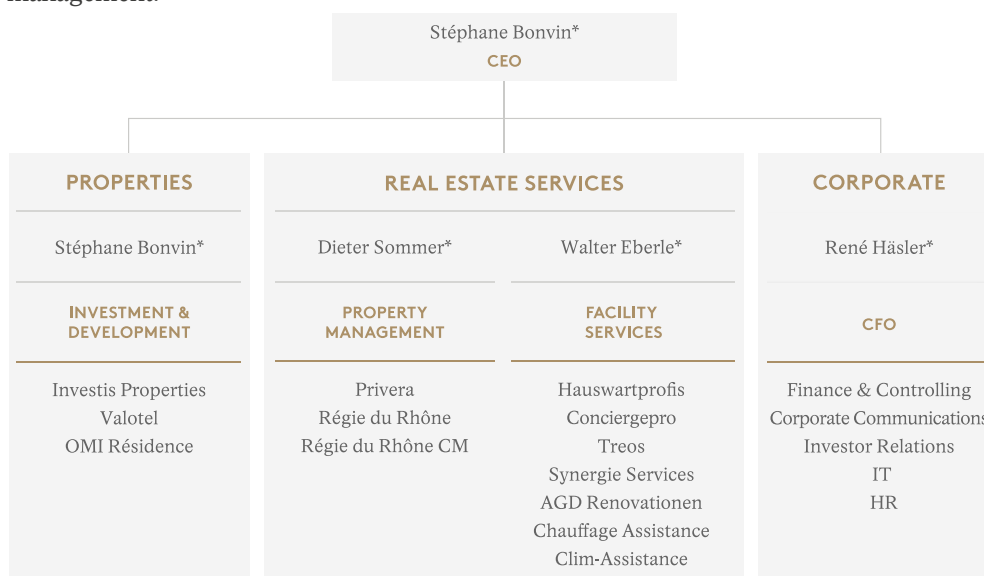
Unique residential property company with a nationwide real estate services business

Founded in 1994, the Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in both property management and facility services. Investis **Properties** has a portfolio of predominantly residential properties in the middle price segment. Investis **Real Estate Services** works with well-known local brands throughout Switzerland. The Group has been listed on the stock exchange since June 2016.



HIGHLY ENTREPRENEURIAL MANAGEMENT

The Executive Board consists of Chief Executive Officer Stéphane Bonvin, who founded Investis in 1994, Chief Financial Officer René Häslér, as well as Head of Property Management Dieter Sommer and Head of Facility Services Walter Eberle. Investis is characterised by a lean structure and a highly entrepreneurial and experienced management.



* Member of the Executive Board

REPORT TO SHAREHOLDERS

Significantly improved results in both business segments

Dear Shareholders

Dear Sir or Madam

2017 was a very positive year for both parts of the business. This success was due to organic growth and acquisitions in the Company's two segments – **Properties** and **Real Estate Services** – as well as to further sustainable cost optimisations. The value of the property portfolio rose thanks to purchases made in attractive locations, as well as to revaluations. The Real Estate Services segment increased its revenue organically through new mandates, and the full integration of Hauswartprofis. Measures taken to increase profitability in this segment already had a positive effect, leading to a further sustainable increase in the EBIT margin. Financial expenses were significantly reduced as planned.



SUSTAINABLE REVENUE GROWTH – INCREASE IN NET PROFIT

Investis saw revenue increase 17% to CHF 190 million in 2017 (prior year CHF 162 million). EBITDA before revaluations and gains on disposals rose year-on-year by 30% to CHF 37.3 million (CHF 28.7 million). Market-driven portfolio appreciation of CHF 25.0 million, plus disposal gains and depreciation, led to an EBIT of CHF 60.9 million. EBIT had reached CHF 76.4 million in 2016 owing to unusually high, market-driven valuation gains.

The optimisation of financing structures begun in 2016 was continued during the year under review with the issue of two further bonds. Investis placed its second-ever bond issue, with a volume of CHF 140 million, a two-year term and a coupon of 0.25%, in February 2017, followed by a third in October 2017 worth CHF 180 million, with a coupon of 0.75% and a term of five years. The average interest rate during the year under review was 0.7% (prior year 2.0%). Investis used the attractive conditions on the capital market to reduce its financial expenses significantly to CHF 4.1 million. The equivalent figure in 2016 (CHF 19.7 million) included CHF 5.9 million for the premature termination of swap contracts and CHF 6.6 million for the recognition of the remaining swaps in the income statement. Adjusted for these swap costs of CHF 12.5 million, financial expenses were reduced by 43% in the year under review.

Tax income stood at CHF 0.2 million (prior year tax expense of CHF 13.6 million), which includes a positive deferred tax effect of CHF 10.8 million (implementation of corporate tax reform in Canton Vaud). However, the expected average tax rate remains 23% (prior year 24%) until the implementation of Tax Proposal 17.

Overall this left Investis with a 28% higher net profit of CHF 57.6 million (prior year CHF 45.1 million). Earnings per share went up to CHF 4.49 (prior year CHF 3.88). Net profit excluding revaluation effects came to CHF 26.8 million (prior year CHF 9.4 million).

Net asset value (NAV) per share excluding deferred tax relating to properties rose to CHF 55.91 (prior year CHF 54.85). The increase was small because the goodwill from the acquisition of Hauswartprofis was charged against equity. This meant that the benchmark figure was diluted by CHF 1.16 per share.

Investis is outperforming expectations and gained further in stature over the last financial year. The Company's very good result underlines the progress made in both segments of its business, and the successful implementation of its growth strategy. After a very pleasing first six months of 2017, results for the second half were even better. Its increasing revenue momentum makes Investis confident about the further growth of business activities.

ADDING VALUE BY EXPANDING THE PORTFOLIO AND SUSTAINABLY INCREASING RENTAL INCOME IN THE PROPERTIES SEGMENT

CHF 131 million was invested in the acquisition of additional investment properties as well as in development projects. Some properties have also been sold. Together with revaluation gains of CHF 25.0 million (prior year CHF 46.6 million), the value of the portfolio increased by 14% to CHF 1,121 million (prior year CHF 981 million). As at 31.12.2017, the portfolio comprised 139 properties with 2,508 residential units.

During the year under review, rental income increased by 13% to CHF 47.5 million (prior year CHF 41.9 million), with a continued low vacancy rate of 3.5 % (prior year 3.7%). On a like-for-like basis, rental income went up by a pleasing 1.9% (prior year 1.1%), pushing growth to the upper end of the long-term trend of 1 – 2%. By contrast, property costs only rose slightly, leading to an increase in the gross margin to 73% (prior year 70%). Overall, the Properties segment achieved operating profit (EBIT) of CHF 58.0 million (prior year CHF 76.7 million). Operating profit in 2016 was boosted by unusually high valuation gains.

In November 2017, Investis increased its stake in “La Foncière de la Dixence SA” – the project company planning and financing the Dixence Resort in Hérémence – from 50% to 75%, thus becoming the majority shareholder. Since then, the Dixence Resort project in Hérémence has been fully consolidated in the results.

FURTHER INCREASE IN PROFITABILITY IN THE REAL ESTATE SERVICES SEGMENT

Investis also continued its growth in Real Estate Services, increasing this segment's revenue to CHF 148 million (prior year CHF 136 million). There was organic revenue growth in both activities, **Property Management** and **Facility Services**. The full integration of Hauswartprofis, the company acquired in January 2017, contributed CHF 18 million to revenue. The cessation of general contractor activities in the construction management business resulted in a CHF 15 million reduction in revenue. Rents under management in the Property Management business went up to CHF 1.68 billion (prior year CHF 1.58 billion).

The number of employees in the Real Estate Services segment rose to 1,397 (prior year 1,132), mainly due to the acquisition of Hauswartprofis.

Revenue growth and the operational improvements made as a result of initiatives taken to increase profitability led to an EBIT margin of 5.3% (prior year 2.9%), as well as a doubling of operating profit (EBIT) to CHF 7.8 million (prior year CHF 3.9 million). After the increase in the EBIT margin to 5.0% in the first half-year, it went up again in the second half to 5.6%, which exceeded expectations.

VERY SOLID BALANCE SHEET

Total assets increased to CHF 1.2 billion as at 31.12.2017, with a comfortable equity ratio of 46.0% (prior year 50.7%). Deferred tax liabilities came to CHF 155 million (prior year CHF 146 million). Interest-bearing financial liabilities amounted to CHF 436 million (prior year CHF 326 million) while the loan-to-value ratio increased from 33% to 39% as at end-2017.

DEMAND FOR RENTAL APARTMENTS IN THE LAKE GENEVA REGION REMAINS VERY HIGH - BUSINESS MODELS FOR REAL ESTATE SERVICES IN TRANSITION

The real estate market around Lake Geneva remains very attractive. Demand is still high, especially for rental apartments in the lower and middle price bands in central locations, i.e. in the cities of Geneva and Lausanne and their conurbations. This situation is reflected in the fact that Investis has a very low vacancy rate compared to the industry in general. Likewise, investor demand for residential properties remains high.

Digitalisation is bringing ongoing change to the real estate services business, and this is creating significant opportunities. Investis is fully committed to digital transformation and is stepping up cooperation with innovative start-up companies that are driving digitalisation in the real estate sector. The Company wants to digitalise most of its activities and processes, so optimised and innovative products and services can be offered to customers. This will create highly efficient workflows for all stakeholders.

ANNUAL GENERAL MEETING: DIVIDEND PAYMENT OF CHF 30 MILLION AND CREATION OF ADDITIONAL CONDITIONAL CAPITAL

At the Annual General Meeting on 20 April 2018, shareholders will be asked to approve an unchanged dividend of CHF 30.08 million, or CHF 2.35 per share, in the form of a repayment from reserves from capital contributions. This corresponds to a dividend payout ratio of 52%. The Board of Directors will also propose the creation of additional conditional share capital in the amount of CHF 128,000, divided into 1,280,000 registered shares with a nominal value of CHF 0.10 each, in order to have the option to issue bonds or similar debt instruments with conversion rights and/or warrants.

OUTLOOK

The outstanding results reported for 2017 vindicate and reaffirm the growth strategy pursued by Investis. Based on the progress being made and the Company's good market position, the Board of Directors and Executive Board believe that both segments will see another sustainable increase in revenue in 2018. The Real Estate Services segment is targeting a further increase in its EBIT margin.

Investis is confirming its medium-term targets for 2019:

- Properties: annualised rental income > CHF 50 million
- Real Estate Services: high single-digit EBIT margin
- Financing: through unsecured senior debt

The Board of Directors and Executive Board of Investis Holding SA would like to express their sincere thanks to our valued shareholders for the trust they have placed in us, and to our staff for their great commitment and loyalty.



Riccardo Boscardin
Chairman of the Board of Directors



Stéphane Bonvin
CEO

MILESTONES

Since its foundation in 1994, Investis has been driven by an entrepreneurial approach and has focused on value creation with a long-term perspective.

2017	<ul style="list-style-type: none"> Increase of stake in project company La Foncière de la Dixence SA from 50% to 75% Investment in Polytech Ventures Holding SA (50%) Issue of a third fixed-rate bond of CHF 180 million Issue of a second fixed-rate bond of CHF 140 million Completion of acquisition of Hauswartprofis AG
2016	<ul style="list-style-type: none"> Issue of a first fixed-rate bond of CHF 100 million Acquisition of Clim-Assistance SA Acquisition of the minority stake in Investis Patrimoine SA Entry onto the capital market on 30 June 2016 through the successful initial public offering (IPO) with an issue volume of CHF 148.4 million
2015	<ul style="list-style-type: none"> Acquisition of Valotel SA, SI Clovil SA, Rey'novtoit, Imhoff.ch Sàrl, La Pomardière SA
2014	<ul style="list-style-type: none"> Increase of shareholding in the pro-rata consolidated company La Foncière de la Dixence SA from 25% to 50% Acquisition of Privera AG, Treos AG, AGD Renovationen AG, Bufag SA and Chauffage-Assistance SA. Investis Group expands its real estate services offering across the whole of Switzerland
2013	<ul style="list-style-type: none"> Spinoff of Sorenova SA as a construction management company Acquisition of Valaisia Crans-Montana SA
2012	<ul style="list-style-type: none"> Acquisition of Synergie Services Facility Management SA
2011	<ul style="list-style-type: none"> Entry into the real estate services market with the completion of the acquisition of Régie du Rhône SA
2009	<ul style="list-style-type: none"> The company name was changed to Investis
2007	<ul style="list-style-type: none"> Creation of a Holding structure
2002	<ul style="list-style-type: none"> Consolidation of the property portfolio
1997	<ul style="list-style-type: none"> Compagnie Foncière de la Cité SA acquires its first buildings in the Canton of Geneva
1996	<ul style="list-style-type: none"> Compagnie Foncière de la Cité SA accumulates residential properties in the Canton of Vaud
1994	<ul style="list-style-type: none"> Foundation of Compagnie Foncière de la Cité SA

STRATEGY

Investis aims to be the market leader for residential property in the Lake Geneva region and for real estate services throughout Switzerland. The Company is also targeting continued successful growth with a conservative financing profile in its “**Properties**” business, as well as further expansion of its “**Real Estate Services**” business, both organically and through acquisitions, by means of the following measures:



CONTINUATION OF BUY-AND-HOLD STRATEGY THROUGH SELECTED INVESTMENTS IN THE PROPERTIES SEGMENT

Investis is keen to continue its long-term buy-and-hold strategy, and to further expand the scope of its residential property portfolio through acquisitions and selected development projects. In view of the positive demographic trend and favourable macroeconomic factors, the Group plans to maintain its focus on residential property for target customers with mid-range incomes in the Lake Geneva region, particularly in the metropolitan areas of Geneva and Lausanne.

PRESERVATION AND GROWTH OF PORTFOLIO VALUE THROUGH ACTIVE PORTFOLIO MANAGEMENT

The investment focus is on properties and projects with sustainable, attractive returns and long-term value enhancement potential. Investis seeks to preserve and increase the value of its real estate portfolio through active portfolio management. A high level of occupancy and constant cost optimisation enable value to be systematically preserved and increased. Investis is also involved in realising targeted and cost-efficient renovation projects, including optimising energy efficiency. This is in addition to construction measures such as extending rentable floor space by adding storeys, and conversions.

INCOME GROWTH THROUGH A BROAD RANGE OF REAL ESTATE SERVICES ACROSS SWITZERLAND

The Real Estate Services segment generates attractive added value for Investis and its stakeholders. The Group also seeks national recognition by offering real estate services across Switzerland. In addition, the Group intends to add further services to its Property Management and Facility Services activities.

GREATER EFFICIENCY AND ENHANCED QUALITY THROUGH DIGITALISATION

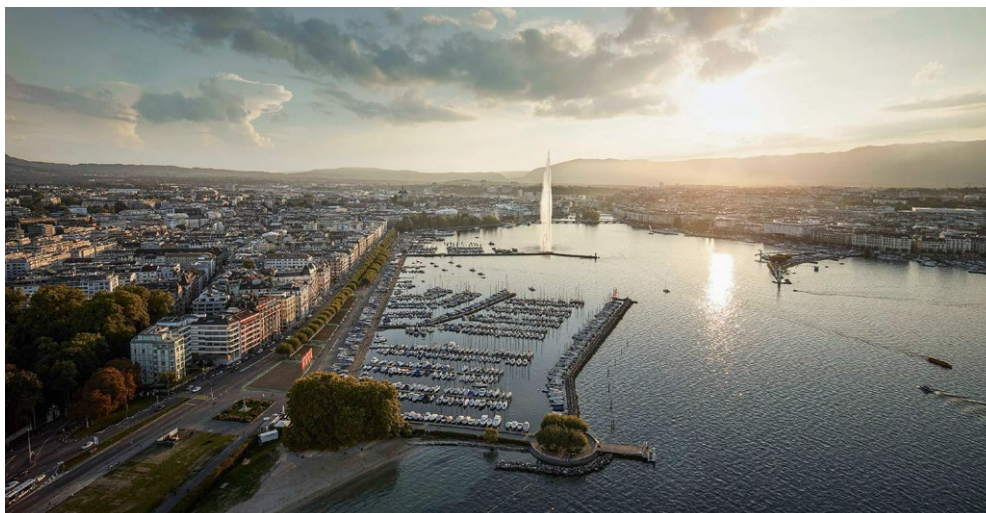
Digitalisation of internal processes permits shorter and more efficient process flows. Staff are thus free to concentrate on activities that add more value, such as advising clients. Investis also intends to push ahead with the digitalisation of client interfaces in order to improve its service offering.

SOLID FINANCING STRATEGY WITH A SOUND CAPITAL BASE

The Group is solidly financed and is targeting a gross loan-to-value ratio (LTV) of 40%. LTV is measured as the ratio of interest-bearing financial debt to portfolio value, but it does not include the value of the real estate service business. A low LTV ratio gives the company full flexibility to exploit any attractive opportunities that arise in the market. The Group continues to strive to optimise its financing structure and to use the most suitable financing sources over the long term, including opportunities presented by the capital market.

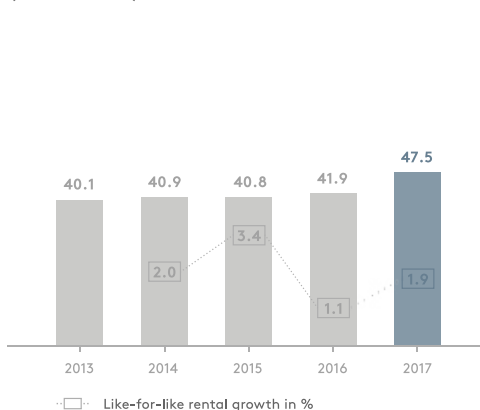
PROPERTIES

The portfolio of Investis Properties consists predominantly of residential properties located in the Lake Geneva region.

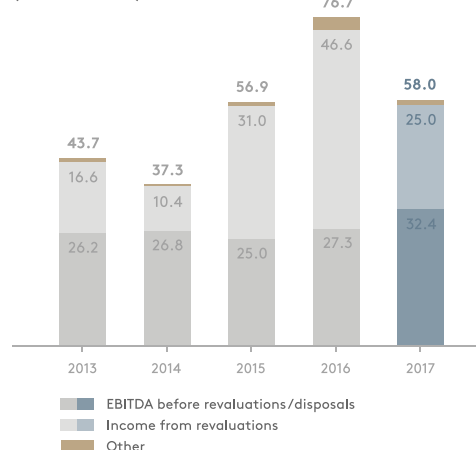


Investis has developed its Properties business line over more than 20 years. It generated revenues of CHF 47.5 million and an operating profit (EBIT) of CHF 58.0 million during 2017.

PROPERTIES – REVENUE
(CHF MILLION)



PROPERTIES – EBIT breakdown
(CHF MILLION)



FOCUSED ON THE LAKE GENEVA REGION

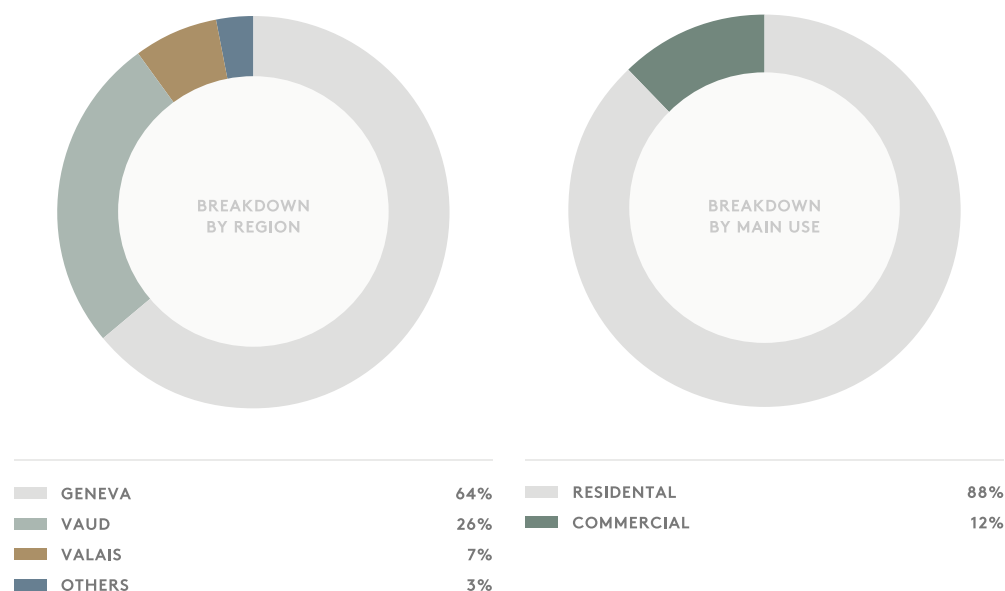
Within the Properties business segment, investing is the main activity. This consists of the ownership and development of a residential property portfolio focused on the Lake Geneva region.

The portfolio is mainly located within the Cantons of Geneva, Vaud and, to a smaller extent, Valais. In the Cantons of Geneva and Vaud, the majority of buildings are clustered around Geneva and Lausanne.

MAINLY RESIDENTIAL PROPERTIES

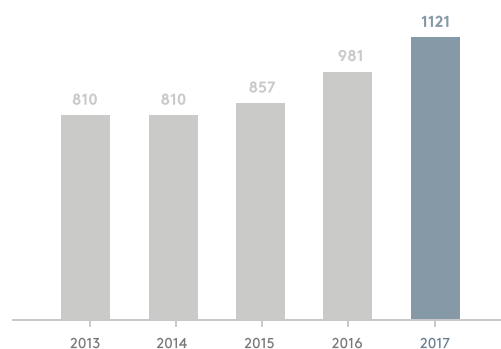
Based on market value and main use, 88% of the properties are used for residential purposes and 12% for commercial purposes.

The following graphs depict the geographical distribution and main use of the properties:



The portfolio was valued at CHF 1,121 million as at 31 December 2017 and consists of 2,508 middle-income residential units in 139 buildings. Detailed information on the properties is available on the [Company website](#) as well as under the [property portfolio](#) in this annual report.

TOTAL PROPERTY PORTFOLIO
(CHF MILLION)



DEVELOPMENT

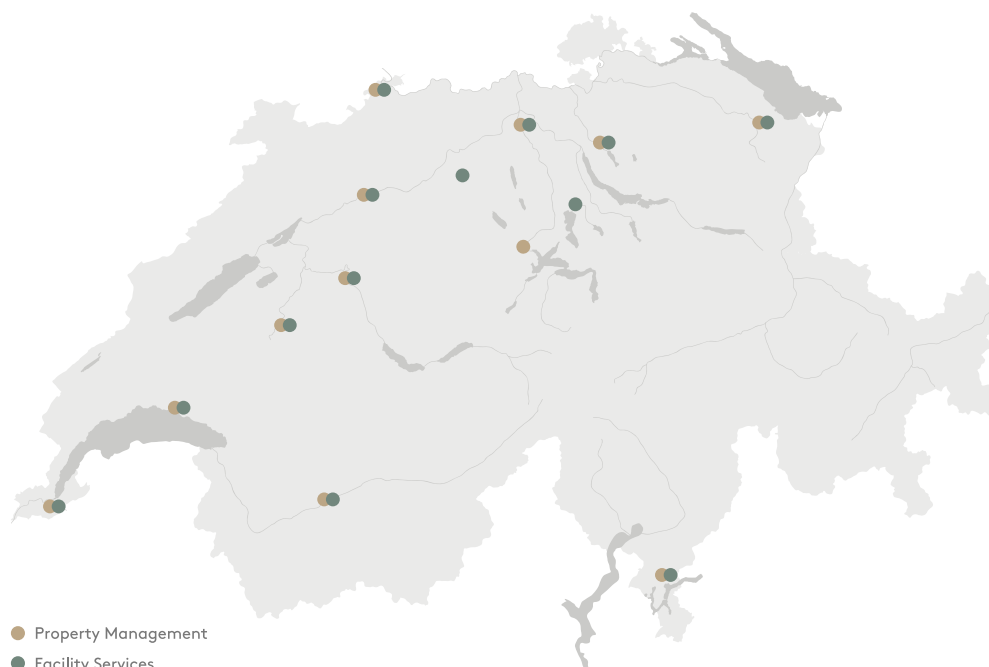
Investis carries out opportunistic developments aimed at high returns on sales. To this end, Investis selectively purchases the land, obtains the necessary construction permits, develops the properties and subsequently rents or sells them.

SERVICED APARTMENTS

The Serviced Apartments activity consists of the operation of 79 serviced apartments under the OMI Residences brand. The apartments are mainly located in the center of Geneva.

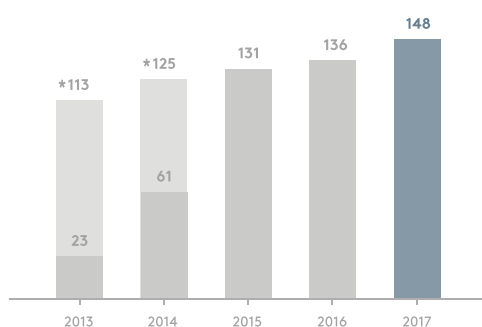
REAL ESTATE SERVICES

Investis Real Estate Services is active through well-known local brands across Switzerland



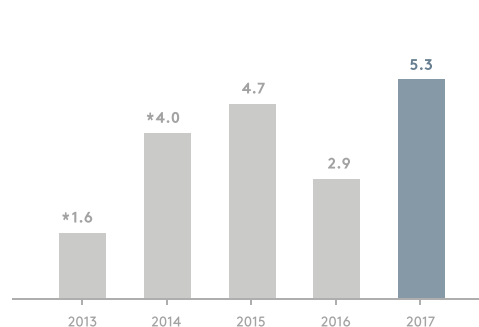
In the Real Estate Services business segment, Investis pursues two activities throughout Switzerland, namely Property Management and Facility Services. This business segment generated a revenue of CHF 148 million in 2017, with an EBIT margin of 5.3%.

REAL ESTATE SERVICES – REVENUE
(CHF MILLION)



* based on Like-for-Like Financial Information

REAL ESTATE SERVICES – EBIT MARGIN
(IN %)



* based on Like-for-Like Financial Information

Rents under management came to CHF 1.68 billion, representing an organic increase of CHF 100 million in 2017 (2016: increase of CHF 200 million).

PROPERTY MANAGEMENT

Property Management activities are offered by **Privera AG, Régie du Rhône SA** and **Régie du Rhône Crans-Montana SA**.

Investis' Property Management covers all real estate services throughout the lifecycle of properties, whether residential buildings, commercial buildings or shopping centers. These services include:

Property management

- Multi-storey dwellings
- Office and commercial properties
- Retail properties and shopping centers
- Co-ownership
- Condominium properties

Co-ownership associations

- Complete organisation and operation of large and challenging property complexes
- Coordination of all property management services as well as accounting
- Reporting that meets the highest requirements
- Planning and implementation of building measures in the interests of the investor

Center management

- Development of new shopping centers
- Property and market analyses, market research
- Center positioning
- Center management and operational management
- Switzerland-wide retail marketing
- Center marketing and promotional activities
- Support/guidance for tenants' associations
- Alterations and modernisations

Letting management

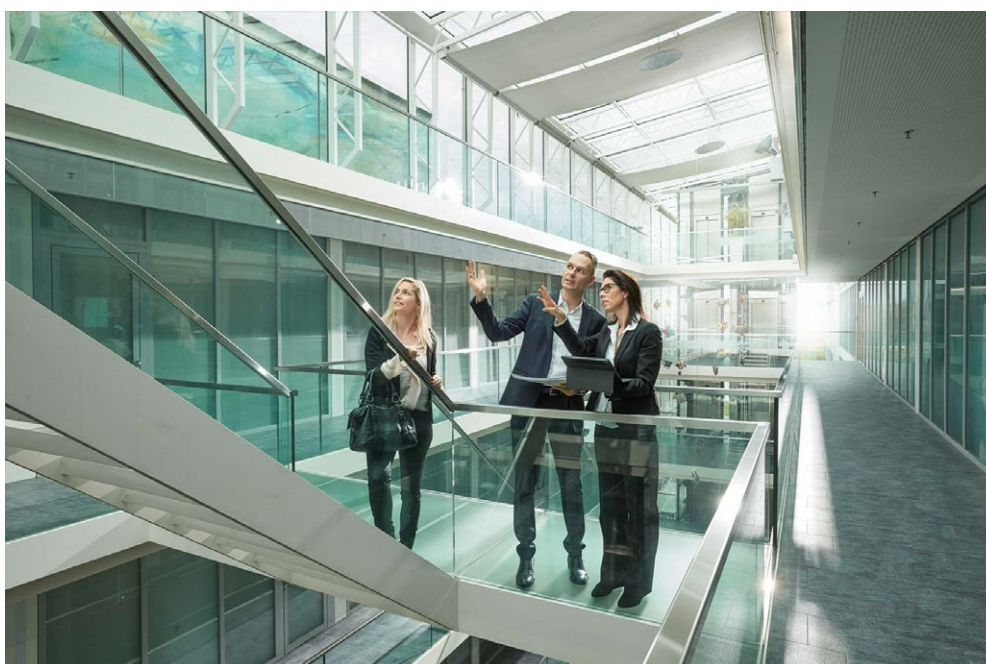
- First-time, renewal and special lettings of residential and commercial properties, office, service and retail spaces
- Market and site analyses
- Property and usage analyses
- Letting and marketing concepts
- Property marketing, letting management

Brokerage

- Procurement/sale of properties
- Valuations/surveys
- Market and site analyses
- Property and usage analyses
- Development of sales concepts
- Property search mandates

Construction management

- Building condition assessments
- Energy-optimisation measures
- Alterations and renovations
- Construction project and general management as per SIA 102 and SIA 112
- Client fiduciary and advisory services



FACILITY SERVICES

The Group companies active in Facility Services are **Hauswartprofis AG, Conciergepro SA, Treos AG, Synergie Services Facility Management SA, AGD Renovationen AG, Chauffage-Assistance SA and Clim-Assistance SA.**

Investis' Facility Services offers a wide range of services for the maintenance of buildings and outdoor services for residential, office and commercial buildings, and shopping centers. The particular services are:

Caretaking services

- Indoor and outdoor
- Technical maintenance
- Grounds maintenance

Cleaning services

- Facades
- Windows and roller shutters
- Basic and deep cleaning
- Building cleaning
- Escalators
- Offices
- Flats
- End of tenancy

Building technology

- Facility management
- Electrical safety plans
- Warranty
- Evacuation plans

Concierge services

- House sitting
- Laundry services
- Window and shutter cleaning
- Troubleshooting
- Cleaning services

Technical services

- Ventilation / air conditioning
- Heating systems / plumbing
- General renovations
- Electric appliances



SHARE INFORMATION, BOND INFORMATION

Investis can look back on its first full financial year as a listed company. The IPO of Investis Holding SA took place on 30 June 2016. Entering the capital market and thereby expanding the shareholder base has provided the Investis Group with a solid foundation, enabling it to accelerate its current growth.

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

SHARE PRICE DEVELOPMENT



The closing price at year end stood at CHF 62.65 an increase of 9.9% vs the closing price of CHF 57.00 at the end of 2016.

OUTSTANDING FIXED-RATE BONDS

ISIN	CH 033 764 551 6	CH 035 259 586 9	CH 036 153 322 4
Trading currency	CHF	CHF	CHF
Issuing volume	100 million	140 million	180 million
Listing	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Coupon	0.55%	0.25%	0.75%
Tenor	5 years	2 years	5 years
Payment date	15 November 2016	14 February 2017	3 October 2017
Redemption date	15 November 2021	14 February 2019	3 October 2022

In order to optimise the financing structure and to benefit from the attractive conditions on the capital market, Investis Holding SA successfully issued two additional fixed-rate bonds in the fiscal year 2017. All fixed-rate bonds are traded on the SIX Swiss Exchange in Zurich.