

INVESTIS

REAL ESTATE GROUP

# ANNUAL REPORT 2017





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## SELECTED KEY FIGURES

Investis financial key figures		31.12.2017	31.12.2016
Revenue	CHF 1,000	189,987	161,916
EBITDA before revaluations/disposals	CHF 1,000	37,311	28,695
EBIT	CHF 1,000	60,871	76,369
Net profit	CHF 1,000	57,604	45,077
Net profit without revaluation effects	CHF 1,000	26,789	9,419
Funds From Operations (FFO) <sup>1)</sup>	CHF 1,000	29,460	17,844
Total assets	CHF 1,000	1,238,222	1,099,750
Mortgages and bonds	CHF 1,000	436,357	325,572
Gross LTV		39%	33%
Deferred tax liabilities	CHF 1,000	154,977	145,579
Total shareholders' equity	CHF 1,000	568,989	557,570
Equity ratio		46.0%	50.7%
<b>Number of employees</b>			
Headcount (as at period end)		1,420	1,146
FTE (full-time equivalent, average over the period)		1,143	902

1) FFO is defined as cash flow from operating activities + investments in properties held for sale + interest received less interest paid.

Data per share		31.12.2017	31.12.2016
<b>Share ratios</b>			
Share capital	CHF 1,000	1,280	1,280
Number of registered shares issued/outstanding		12,800,000	12,800,000
Nominal value per share	CHF	0.10	0.10
<b>Share data</b>			
NAV per outstanding share	CHF	44.38	43.48
NAV per outstanding share not including deferred tax with regard to investment properties	CHF	55.91	54.85
Earnings per share (basic/diluted)	CHF	4.49	3.88
Gross dividend <sup>1)</sup>	CHF	2.35	2.35
Dividend yield <sup>1)</sup>		3.8%	4.1%
Payout ratio <sup>1)</sup>		52.4%	68.0%
<b>Share price</b>			
Share price – high	CHF	64.95	61.95
Share price – low	CHF	55.40	53.00
Share price at end of period	CHF	62.65	57.00
Average number of shares traded per day		5,562	9,094
Market capitalisation at end of period	CHF 1,000	801,920	729,600

1) Intended distribution per share in accordance with the proposal to the Annual General Meeting of 20 April 2018.

Properties key figures		31.12.2017	31.12.2016
Residential investment properties	CHF 1,000	940,629	841,961
Commercial investment properties	CHF 1,000	127,784	113,129
Investment properties under construction	CHF 1,000	14,826	64
Undeveloped plots of land	CHF 1,000	1,673	7,328
Properties held for sale	CHF 1,000	35,805	18,141
Total property portfolio	CHF 1,000	1,120,717	980,622
Total buildings		139	136
Total residential units		2,508	2,334
Average discount rate		3.62%	3.71%
Revenue	CHF 1,000	47,492	41,852
Like-for-like rental growth		1.9%	1.1%
EBITDA before revaluations/disposals	CHF 1,000	32,394	27,293
EBIT	CHF 1,000	58,039	76,679
Annualised full occupancy property rent	CHF million	51.5	46.9
Annualised property rent	CHF million	49.6	45.2
Vacancy rate		3.5%	3.7%
Real Estate Services key figures		31.12.2017	31.12.2016
Rents under management	CHF billion	1.68	1.58
Revenue	CHF 1,000	147,637	136,094
of which property management		53%	56%
of which facility services		46%	32%
of which construction management		1%	12%
EBIT	CHF 1,000	7,839	3,892
EBIT margin		5.3%	2.9%

# GROUP OVERVIEW

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## PROFILE

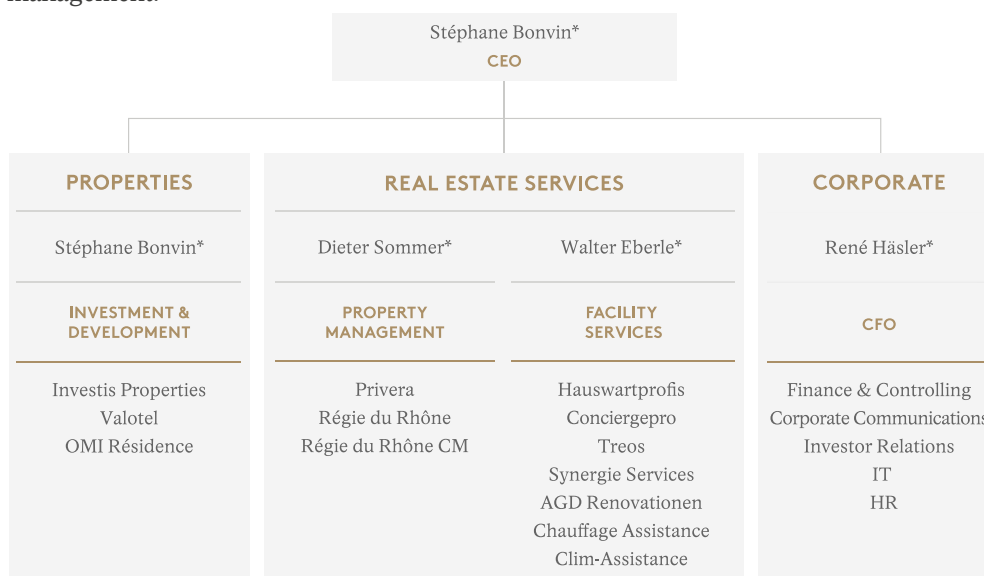
Unique residential property company with a nationwide real estate services business

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

## 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**

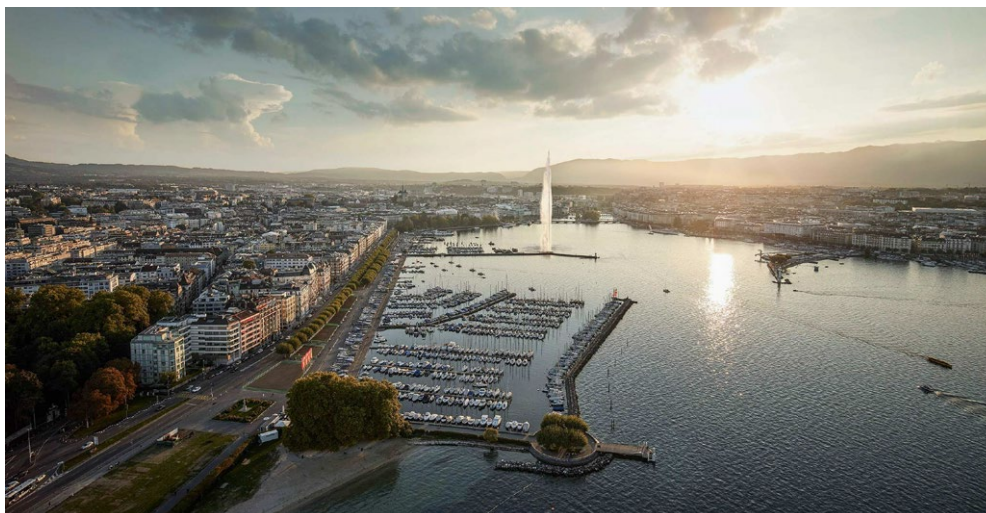
Digitalisation of internal processes permits shorter and more efficient process flows. Staff are thus free to concentrate on activities that add more value, such as advising clients. Investis also intends to push ahead with the digitalisation of client interfaces in order to improve its service offering.

**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.

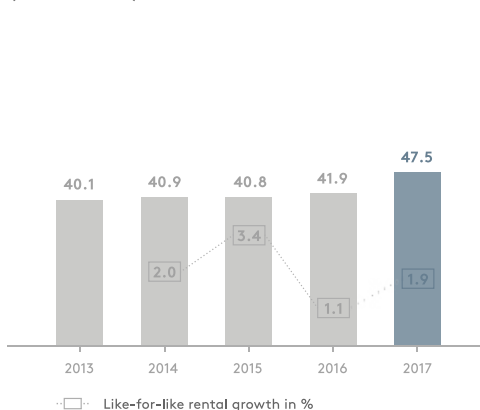
## PROPERTIES

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

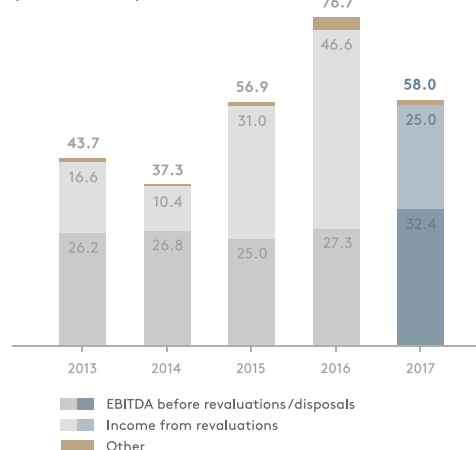


Investis has developed its Properties business line over more than 20 years. It generated revenues of CHF 47.5 million and an operating profit (EBIT) of CHF 58.0 million during 2017.

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.

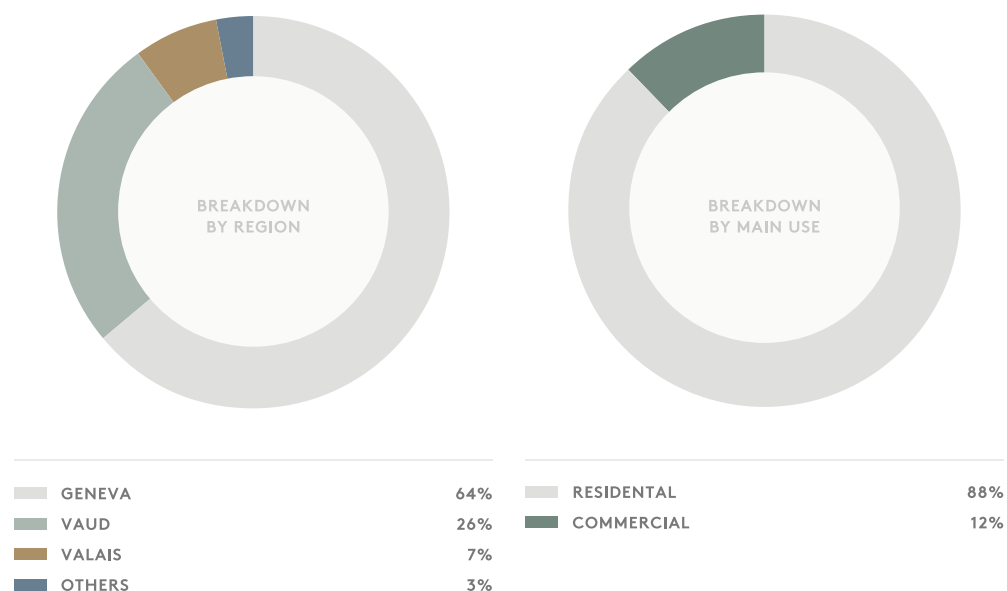
The portfolio is mainly located within the Cantons of Geneva, Vaud and, to a smaller extent, Valais. In the Cantons of Geneva and Vaud, the majority of buildings are clustered around Geneva and Lausanne.



## MAINLY RESIDENTIAL PROPERTIES

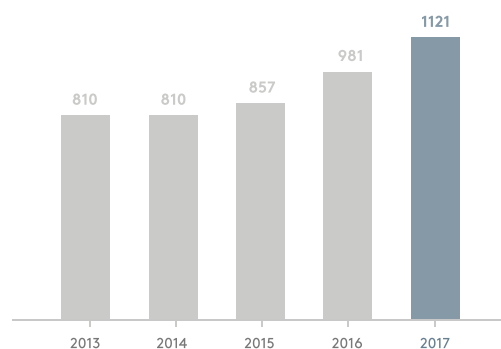
Based on market value and main use, 88% of the properties are used for residential purposes and 12% for commercial purposes.

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

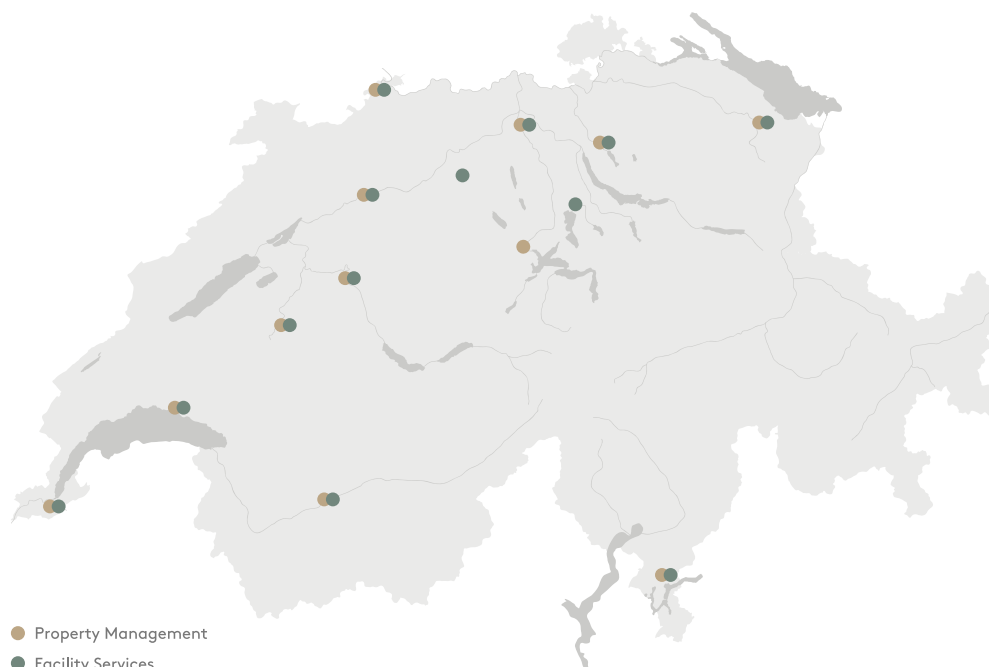
Investis carries out opportunistic developments aimed at high returns on sales. To this end, Investis selectively purchases the land, obtains the necessary construction permits, develops the properties and subsequently rents or sells them.

## 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.

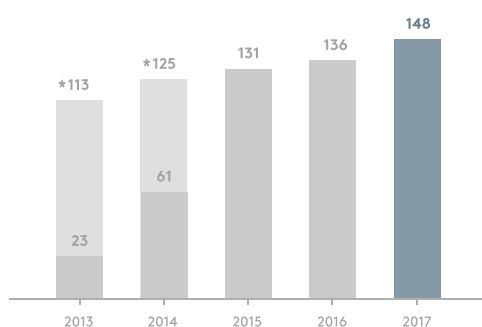
## REAL ESTATE SERVICES

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



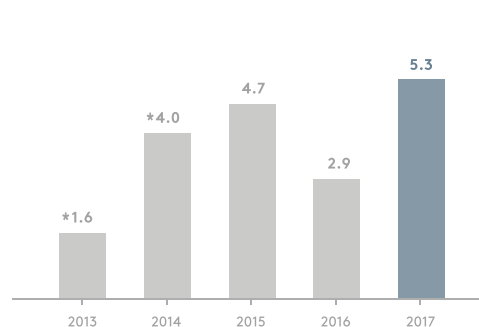
In the Real Estate Services business segment, Investis pursues two activities throughout Switzerland, namely Property Management and Facility Services. This business segment generated a revenue of CHF 148 million in 2017, with an EBIT margin of 5.3%.

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

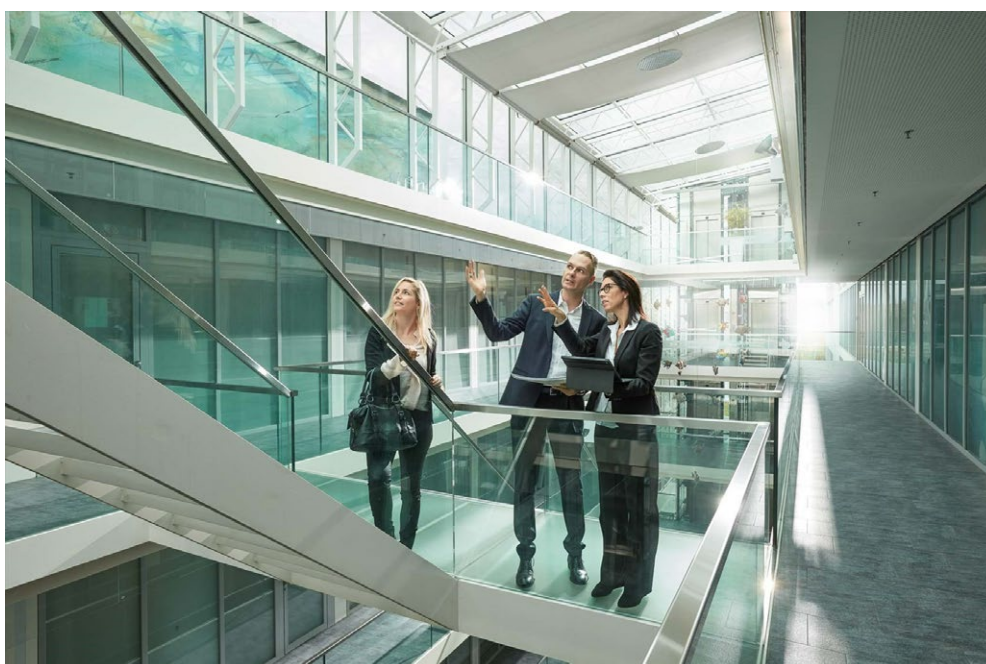
- First-time, renewal and special lettings of residential and commercial properties, office, service and retail spaces
- Market and site analyses
- Property and usage analyses
- Letting and marketing concepts
- Property marketing, letting management

### 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

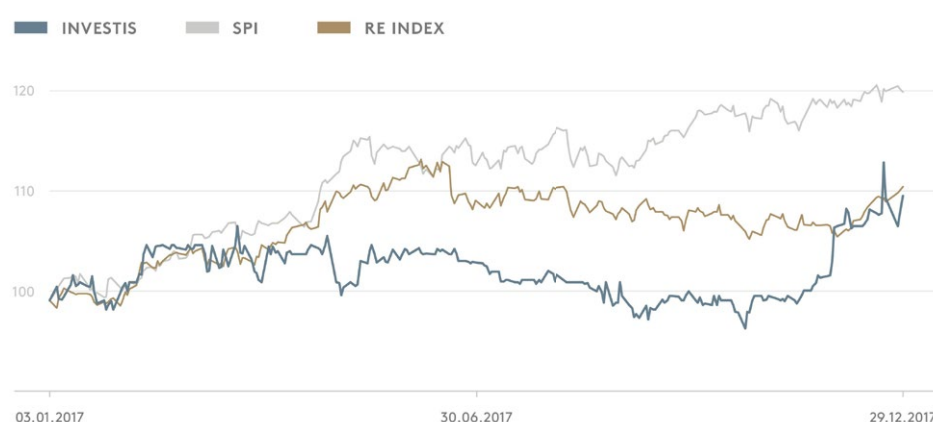


## SHARE INFORMATION, BOND INFORMATION

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.

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## INTRODUCTION

This Corporate Governance Report describes the principles of management and control as they apply to the top decision-making bodies of the Investis Group. To enhance transparency and thus comparability with other companies, it has been prepared in conformity with the SIX Corporate Governance Directive dated 1 January 2016. Unless otherwise specified, all information contained in the report is based on data as at 31 December 2017.

The principles and rules of corporate governance as practiced by the Investis Group are set out in the Company's Articles of Association, its Organisational Regulations and the regulations of the Board of Directors' committees. The chairman of the Board of Directors (the "Chairman") reviews the content and current relevance of the corporate provisions regularly, and proposes any additions or amendments required to the Board of Directors.

Investis Group complies with all the rules relevant to corporate governance. In particular, the Investis Group abides by all existing legislation, the directives of the SIX Swiss Exchange and the remarks thereto, and the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*, Switzerland's umbrella business association.

This Annual Report contains the Compensation Report of the Board of Directors, which also complies with the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC).

To avoid duplication, some sections contain cross-references that are available on the Investis website under the following links:

- the Annual Report 2017 at [reports.investisgroup.com/17/ar](https://reports.investisgroup.com/17/ar)
- the Compensation Report 2017 at [reports.investisgroup.com/17/ar/compensation-report](https://reports.investisgroup.com/17/ar/compensation-report)
- the Articles of Association at <https://www.investisgroup.com/nc/en/investors/#c1386>
- the Organisational Regulations at <https://www.investisgroup.com/nc/en/investors/#c1386>

All weblinks being referred to are listed under the chapter Information Policy of this Corporate Governance Report 2017.



## GROUP STRUCTURE AND SHAREHOLDERS

### GROUP STRUCTURE

Investis Holding SA (the “**Company**”) is a joint-stock holding company organised under Swiss law, which has direct or indirect shareholdings in various companies (the Company together with its subsidiaries, the “**Investis Group**” or the “**Group**”). While the Board of Directors devotes itself to overall management, strategic and supervisory duties, the Executive Board is entrusted with operational management tasks. The Company’s legal domicile is Neumühlequai 6, 8001 Zurich, Switzerland.

Since 30 June 2016, the registered shares of Investis Holding SA have been listed at SIX Swiss Exchange AG, Zurich (securities number 32 509 429, ISIN CH 032 509 4297, Bloomberg: IREN.SW, Reuters: IREN.S). The shares have a nominal value of CHF 0.10 each. The Company’s market capitalisation amounted to CHF 802 million as at 31 December 2017. None of the Company’s subsidiaries are listed.

For details of the non-listed companies that belong to the Investis Group of consolidated companies, see the relevant chapter of the Financial Report Note 26.

The Group is divided into two operational divisions, namely the Properties business segment (“Properties”) and the Real Estate Services business segment (“Real Estate Services”). The Properties business segment focuses on investing and developing its residential property portfolio. The Real Estate Services business segment follows a multi-brand strategy and provides a wide range of services throughout Switzerland. The activities are structured into property management and facility services. The construction management activity, as general contractor, was stopped as of March 2017.

### SIGNIFICANT SHAREHOLDERS

Upon listing on 30 June 2016, Stéphane Bonvin was the sole shareholder. As of 31 December 2017, the Board of Directors is aware of the following shareholders and groups of shareholders that hold at least 3% of the voting rights in the Company:

Stéphane Bonvin owned 9,791,080 shares or 76.5% of the outstanding share capital as at 31 December 2017. As at 31 December 2016 Stéphane Bonvin owned 9,751,080 or 76.2%.

Investis Holding SA is not aware of any other significant shareholder as of 31 December 2017. Detailed disclosure information can be found under <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>.



## SHAREHOLDER STRUCTURE

Registered shareholder structure by countries/regions and by shareholder categories as per 31 December 2017.

Registered shares			11,914,766	93.1%
Non-registered shares			865,234	6.8%
Treasury shares			20,000	0.2%
Total shares issued			12,800,000	100.0%
Registered shareholders and shares	Registered shareholders		Registered shares	
Switzerland	415	94.8%	11,672,000	98.0%
Europe (excluding Switzerland)	20	4.6%	216,321	1.8%
North America	2	0.5%	2,863	0.0%
Other countries	1	0.2%	23,582	0.2%
<b>Total</b>	<b>438</b>	<b>100.0%</b>	<b>11,914,766</b>	<b>100.0%</b>
Natural persons	284	64.8%	10,202,365	85.6%
Legal persons	154	35.2%	1,712,401	14.4%
<b>Total</b>	<b>438</b>	<b>100.0%</b>	<b>11,914,766</b>	<b>100.0%</b>
1 – 1,000	289	66.0%	83,077	0.7%
1,001 – 10,000	96	21.9%	357,251	3.0%
10,001 – 100,000	50	11.4%	1,348,713	11.3%
100,001 and over	3	0.7%	10,125,725	85.0%
<b>Total</b>	<b>438</b>	<b>100.0%</b>	<b>11,914,766</b>	<b>100.0%</b>

## CROSS-SHAREHOLDINGS

There are no cross-shareholdings exceeding 5% of the capital shareholdings or voting rights on both sides.

## CAPITAL STRUCTURE

As at 31 December 2017, the share capital amounted to CHF 1,280,000 and comprised 12,800,000 fully paid-up registered shares with a nominal value of CHF 0.10 each. For further details and the composition of the amounts of conditional capital of Investis Holding SA, please see Note 2.4 in the Statutory Financial Statements.

### AUTHORISED CAPITAL

There is no authorised capital.

### CONDITIONAL CAPITAL

Article 3a of the Company's Articles of Association sets out the following relating to the conditional share capital:

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

The subscription rights of the shareholders are excluded. The acquisition of registered shares pursuant to Article 3a of the Articles of Association and all other transfers of such registered shares are subject to the transfer restrictions set forth in Article 5 of the Articles of Association.

The conditions governing the allocation and exercise of said option rights and other rights to shares under Article 3a of the Articles of Association are to be regulated by the Board of Directors. Shares may be issued at a price lower than the market price."

The Articles of Association, containing the precise wording of the provision mentioned above in English, can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

### CHANGES IN CAPITAL

Investis Holding SA was incorporated on 7 June 2016 as a joint-stock company by its sole shareholder Stéphane Bonvin and was registered in the commercial register of the Canton Zurich on 8 June 2016 with a share capital of CHF 1,000,000 divided into 10,000,000 registered shares with a nominal value of CHF 0.10 each.

At the Extraordinary General Meeting of the Company held on 17 June 2016, the shareholder of the Company resolved to increase the share capital by CHF 280,000, consisting of 2,800,000 shares with a nominal value of CHF 0.10 each. There have been no changes in capital since.

## SHARES AND PARTICIPATION CERTIFICATES

As at 31 December 2017, the share capital amounted to CHF 1,280,000 and comprised 12,800,000 fully paid-up registered shares with a nominal value of CHF 0.10 each. All shares with the exception of 20,000 treasury shares are entitled to dividends and confer the right to vote. Further details of the composition of the share capital are shown in Note 2.4 of the Statutory Financial Statements. At the General Meeting of Investis Holding SA each registered share carries one vote. These voting rights can be exercised only if the shareholder is registered as a shareholder with voting rights in the Investis Holding SA share ledger. According to the Articles of Association, such registration is restricted as further set out in the next chapter. The registered shares of Investis Holding SA are uncertificated.

The Articles of Association, containing the precise wording of the provision mentioned above in English, can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

There are no preference shares or voting shares. Investis Holding SA has not issued any participation certificates.

## RESTRICTIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

Article 5 of the Articles of Association provides that a share ledger is kept for registered shares in which the name and address of every owner, usufructuary and nominee of registered shares is recorded. In relation to Investis, only the person or entity entered in the share ledger is recognised as a shareholder, usufructuary or nominee.

Persons acquiring registered shares require the approval of the Board of Directors in each case to be recorded in the share ledger as shareholder with voting rights.

Persons acquiring registered shares are recorded in the share ledger as shareholders with voting rights if:

- a) they verify that the registered shares in question have been acquired and are to be held in their own name and for their own account. Persons who do not provide such verification will be recorded in the share ledger as nominees with voting rights only if they confirm in writing that they are prepared to disclose the names, addresses and shareholding of those persons for whose account they hold the shares or if they immediately disclose this information in writing on first demand. The other provisions of the Articles of Association, in particular Article 4, 5 and 8, apply equally to nominees. The Board of Directors may conclude agreements with nominees regarding their disclosure obligations;
- b) the recognition of a buyer of shares as a shareholder does not and cannot, according to the information at Investis' disposal, prevent Investis and/or its subsidiaries from providing proof regarding the composition of the group of shareholders and/or beneficial owners required by law. In particular, the Board of Directors may refuse to register persons domiciled abroad within the meaning of the Federal law of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad (BewG) in the share ledger if such registration could impede the Investis Group in providing the required proof that Investis Holding SA and/or its subsidiaries are under Swiss control.

The Board of Directors has the power to issue regulations on the maintenance of the share ledger and specify registration requirements and restrictions, in particular requirements concerning the proof of a person's acquisition and holding of shares in their own name and for their own account, the percentage limits applicable to registration of persons domiciled abroad in total and for persons domiciled abroad acting individually, jointly or in association, and rules governing the distribution of free allocations to foreigners.

No exemptions from the transferability and nominee registration restrictions were granted in the reporting year.

The Company may delete a registration from the share ledger after consulting with the registered shareholder if the registration was made on the basis of incorrect information provided by the shareholder. The shareholder in question will be notified immediately of such deletion.

The Articles of Association, containing the precise wording of the provision mentioned above in English, can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

## CONVERTIBLE BONDS AND OPTIONS

Investis Holding SA has no convertible bonds or options outstanding.

## BOARD OF DIRECTORS

### MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors of Investis Holding SA consists of the following four members:

Name	Year of birth	Nationality	Function	Joined	Current term expires
Riccardo Boscardin	1952	Swiss	Chairman, Member of the Audit and Compensation Committee	2016	2018
Albert Baehny	1952	Swiss	Vice-Chairman and Chairman of the Compensation Committee	2016	2018
Thomas Vettiger	1965	Swiss	Member and Chairman of the Audit Committee	2016	2018
Stéphane Bonvin	1967	Swiss	Member	2016 *)	2018

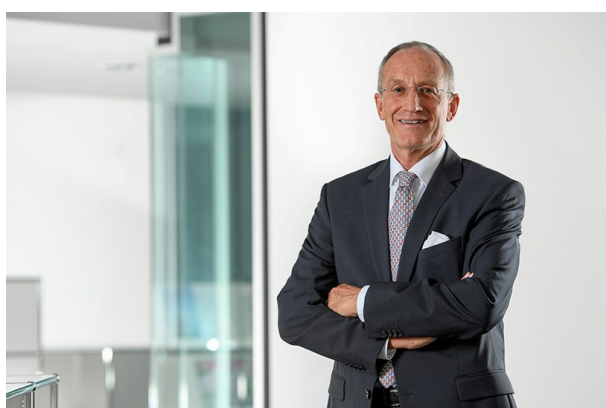
\*) Stéphane Bonvin was the sole shareholder of Investis Investments SA from 1994 until its shares were contributed to Investis Holding SA. Thereafter, he was the sole shareholder of Investis Holding SA until its listing on 30 June 2016.

All terms expire at the next regular Annual General Meeting. The curricula vitae of the individual Board members can also be found under [Investis BoD Portrait](https://www.investisgroup.com/en/profile/#c1340) or <https://www.investisgroup.com/en/profile/#c1340>.

With the exception of Stéphane Bonvin all members of the Board of Directors are independent directors.

#### RICCARDO BOSCARDIN

Chairman of the Board of Directors



Non-executive member  
Member of the Compensation Committee  
Member of the Audit Committee  
Swiss citizen, born in 1952 and currently residing in Bottmingen

Riccardo Boscardin was Head of the Global Real Estate Switzerland division of UBS from 2002 to 2014, and Head of the Global Customised Client Mandates division of UBS from 2011 until 2014. Before that he was Head of Consulting and Portfolio Management at Serimo AG between 1997 and 2002 and served as Chief Executive Officer of the real estate fund company Himac AG and Serimo Immobiliendienste AG, both subsidiaries of Schweizerischer Bankverein, from 1988 to 1997. Riccardo Boscardin has been predominantly active in the real estate industry since 1984. He holds a Dr. iur. (doctor of law) degree from the University of Basel.

He joined the Investis Group as a member of the Board of Directors of the Company in 2016. Riccardo Boscardin was a member of the Board of Directors of Privera AG from 26 August 2015 until 25 November 2016. Apart from this, he has not been a member of the management of the Company or any of its subsidiaries in the last three financial years, nor does he have any major business relationships with Investis Group.

**ALBERT BAEHNY**

Vice-Chairman of the Board of Directors



Non-executive member  
Chairman of the Compensation Committee  
Swiss citizen, born in 1952 and currently residing in Arlesheim

Albert Baehny was elected to the Board of Directors of Lonza Group Ltd in April 2017. He is acting as Vice-Chairman of the Board of Directors and is also President of the Board of Directors of Geberit AG (since April 2011). From 2005 to 2014, Albert Baehny served as Chief Executive Officer of Geberit Group. Before he moved to Geberit in 2003, Albert Baehny was Senior Vice President of the Specialities division of Wacker Chemie AG. He advanced through numerous management positions in firms including Vantico (2000–2001), Ciba-Geigy/Ciba SC (1994–2000), and Dow Chemicals Europe (1981–1993) after starting his career in the science department of Serrono-Hypolab in 1979. Albert Baehny graduated from the University of Freiburg (Switzerland) with a degree in biology.

He joined the Investis Group as a member of the Board of Directors of the Company in 2016. Apart from this, he has not been a member of the management of the Company or any of its subsidiaries in the last three financial years nor does he have any major business relationships with Investis Group.

**THOMAS VETTIGER**

Member of the Board of Directors



Non-executive member  
Chairman of the Audit Committee  
Swiss citizen, born in 1965 and currently residing in Russikon

Thomas Vettiger is Managing Partner and Member of the Board of Directors of IFBC, a consulting firm active in the field of corporate finance and financial advisory, which he co-founded in 1997. Since 2015, Thomas Vettiger has been President of the Board of Directors of Adunic AG and a Member of the Swiss Takeover Board. From 2005 to 2015, he was a Member of the Board of Directors and the Audit Committee of Clientis AG, where he additionally served as Vice-Chairman and Chairman of the Audit Committee from 2013 to 2015. Thomas Vettiger holds a lic. oec. degree from the University of St. Gallen (HSG) and a doctoral degree in finance from the University of Zurich.

He joined the Investis Group as a member of the Board of Directors of the Company in 2016. Apart from this, he has not been a member of the management of the Company or any of its subsidiaries in the last three financial years, nor does he have any major business relationships with Investis Group.

**STÉPHANE BONVIN**

Member of the Board of Directors



Executive member

Chief Executive Officer of Investis Group

Member of the Executive Board of Investis Group

Swiss citizen, born 1967 and currently residing in Lens

Stéphane Bonvin founded Investis Holding AG in 1994. Since then, he has been CEO of the Investis Group and has headed its Properties division. With over 30 years of experience in the real estate sector, Stéphane Bonvin's extensive network of contacts and wide-ranging knowledge of the property market have enabled the gradual enlargement of the Group's portfolio. He acquired various real estate service companies between 2010 and 2014 in the fields of property management, facility management and construction management. In 2006 he co-founded the Patrimonium Group, where he served as Managing Director until 2015; he continues to sit on its Supervisory Board.

Current positions held outside the Investis Group: Stéphane Bonvin has been a Member of the Supervisory Board of Patrimonium and its subsidiaries since 2006, and of Be Capital and its subsidiaries since 2015.

**Other activities and functions**

Other than as described above, the members of the Board of Directors do not engage in any other activities or perform any other functions which are significant to the Group.

No member of the Board of Directors holds any official function or political office.

**Regulation on the number of additional positions**

According to Article 23 of the Articles of Association, no member of the Board of Directors may hold more than ten mandates outside the Investis Group, of which no more than five may be for listed companies. The mentioned Articles of Association, containing the precise wording of the provision mentioned hereafter in English, can be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.



These limitations do not apply to the following:

- 1) mandates in companies controlled by Investis or which control Investis;
- 2) mandates performed by a member of the Board of Directors or the Executive Board on instruction of Investis (no member of the Board of Directors or the Executive Board may perform more than ten such mandates); and
- 3) mandates in associations, charitable foundations and pension schemes (no member of the Board of Directors or the Executive Board may hold more than ten such mandates).

Mandates as referred to herein are functions in the most senior management and administrative bodies of legal entities required to be entered in the Swiss commercial register or an equivalent foreign register. Mandates in different legal entities under joint control or with the same beneficial ownership are treated as one mandate.

### **Election and term of office**

The Board of Directors consists of at least three members.

As a general rule, the members of the Board of Directors and the Chairman are elected individually in the General Meeting and hold their posts until the conclusion of the next ordinary Annual General Meeting, subject to early resignation or dismissal. Members elected mid-term serve for the remainder of the term of the member they are replacing. Otherwise, the Board of Directors organises itself. It appoints a Vice-Chairman and designates a secretary, who does not have to be a shareholder or a member of the Board of Directors.

The members of the Board of Directors can be re-elected at any time.

The General Meeting elects the members of the Compensation Committee individually for a term of one year ending at the conclusion of the next Annual General Meeting. Re-election is permitted. The Compensation Committee is composed of at least two members. Only members of the Board of Directors may be elected. The chairman of the Compensation Committee is appointed by the Board of Directors.

The age limit for the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) is in general the end of the month in which the age of 65 is reached. The Board of Directors may decide differently in individual cases.

Members of the Board of Directors who have turned 70 may not be reappointed if their term of office has expired. The Board of Directors may, however, decide to make an exception and propose to the General Meeting the reappointment of a member after the age of 70 has been reached. In any event, members who turn 75 in the course of their ordinary term of office must resign at the next Annual General Meeting following their 75<sup>th</sup> birthday and may not run for another term of office.

### **Internal organisational structure**

The internal organisation of the Board of Directors is based on the Company's relevant valid Organisational Regulations, which are issued by the Board of Directors and revised regularly. These regulations may be consulted under the Corporate Governance Section or <https://www.investisgroup.com/nc/en/investors/#c1386>. They were resolved upon and entered into force on 16 June 2016.

### Allocation of tasks within the Board of Directors

Subject to Article 17 of the Articles of Association, the Board of Directors organises itself. It may designate one Vice-Chairman among its members. It appoints a secretary, who does not necessarily have to be a member of the Board of Directors. The Articles of Association, containing the precise wording of the provision mentioned in English, can be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

The Chairman monitors the observance of legal requirements, the Articles of Association, regulations and directives by the Company's management bodies, and submits the requisite motions, requests and proposals to the Board of Directors. The Chairman also ensures, in collaboration with the Executive Board, that information is provided in good time on all major aspects of the Company which are of relevance to the monitoring of its activities and to the corporate decision-making process. Further details of the duties and authorities of the Chairman of the Board are provided in Article 20 of the Organisational Regulations or under the following link on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

### Board Committees

The Board of Directors has formed the following two committees to assist it in its work: the Compensation Committee and the Audit Committee.

As a rule, the committees are constituted by the Board of Directors, unless otherwise stated in the Articles of Association or regulations. The chairmen of the committees inform the Board of Directors about their activities at the subsequent ordinary meeting of the Board of Directors, or in urgent cases also immediately. All of these committees have written regulations specifying their tasks and responsibilities.

### Compensation Committee

Investis' Compensation Committee acts as the relevant body in accordance with the Ordinance Against Excessive Compensation in Listed Companies (Ordinance) and the Articles of Association as amended based on this Ordinance. The mentioned Articles of Association in English can be found on the Investis website. <https://www.investisgroup.com/nc/en/investors/#c1386>

The Annual General Meeting elects all Compensation Committee members individually. The committee consists of at least two non-executive members of the Board. The term of office of the members of the Compensation Committee ends at the latest with the closing of the General Meeting following their election. Re-election is permitted. The Board of Directors appoints the chairman of the Compensation Committee. In case of vacancies, the Board appoints substitutes from amongst its members for the remaining term of office.

The Compensation Committee assists and advises the Board of Directors in remuneration-related matters, namely by:

- supporting the Board in proposing motions to the Annual General Meeting so that the Annual General Meeting may vote on the aggregate amounts of remuneration of the members of the Board of Directors and the members of the Executive Board, as well as implementing resolutions passed by the Annual General Meeting in this respect;
- assisting the Board of Directors with the preparation of the compensation report;
- advising the Board of Directors on setting-up, monitoring and regularly reviewing the compensation policy and guidelines at the highest level of the Company;
- helping the Board of Directors set the conditions for the remuneration of the members of the Board of Directors and of the Executive Board in the form of equity securities, conversion rights and option rights as well as assisting and advising the Board of Directors in the review and approval of general compensation and benefit policies, including any long-term incentive compensation or equity plans; and
- submitting recommendations or motions to the Board of Directors on other remuneration-related matters.

The Compensation Committee is entitled to conduct investigations in all matters within its remit. In particular, it has full access, to the extent required to carry out its duties, to the Executive Board, employees, books and records of Investis Holding SA and its subsidiaries. It may also request the services of independent advisors and experts to the extent required to carry out its duties.

The Compensation Committee performs an annual self-evaluation of its performance and reports the results to the Board of Directors.

The members of the Compensation Committee are: Albert Baehny (Chairman) and Riccardo Boscardin.

#### Audit Committee

The Audit Committee supports the Board in its supervisory function, in particular with respect to the completeness of the annual closing of accounts and financial statements, compliance with statutory provisions, analysis of the qualification of the external auditors, as well as the performance of the external auditors. The Committee assesses the usefulness and suitability of the financial reporting, the internal control system and the general supervision of business risks. It makes sure that communication between Group companies and the external auditors regarding financial matters and the Group's course of business is continuous, efficient and productive.

The Audit Committee has the following general duties and competencies:

- evaluating the external auditors with regard to the fulfilment of the necessary qualifications and independence according to the applicable legal provisions, and making proposals for the attention of the Board of Directors concerning the choice of external auditors;
- assessing the work done by the external auditors in office and approving the budget submitted by the external auditors for the audit work;
- making proposals to the Board of Directors regarding the appointment of a compliance officer and assessing the work done by the compliance officer;
- approving the necessary non-audit-specific services provided by the external auditors.

Furthermore, the Audit Committee has the following powers and duties in relation to the internal control system, risk management and compliance:

- assessing the effectiveness of the internal control systems and of the risk management;
- questioning the Chief Executive Officer, the Chief Financial Officer, the Compliance Officer and the external auditor about the significant risks, contingent liabilities and other fundamental obligations of Investis, as well as assessing the measures taken to deal with these.

Finally, the Audit Committee has the following powers and duties in relation to the financial statements:

- examining and submitting proposals to the Board of Directors regarding the approval of the annual and interim accounts of the Company (including significant off balance sheet positions);
- reviewing the outcome of the annual accounts with the external auditor as well as issuing the necessary applications or recommendations to the Board of Directors;
- making a summary assessment of the annual business expenses incurred by the members of the Board of Directors, the chief executive officer, the chief financial officer and any other members of the Executive Board of the Company.

The Audit Committee is entitled to conduct investigations in all matters within its remit. In particular, it has full access, to the extent required for the accomplishment of its duties, to the Executive Board, employees, books and records of Investis Group and its subsidiaries. It may also request the services of independent advisors and experts to the extent required to carry out its duties.

The Audit Committee performs an annual self-evaluation of its performance and reports the results to the Board of Directors.

The Audit Committee is composed of at least two non-executive members of the Board of Directors. At least one member of the Audit Committee has to have recent and relevant financial experience, the others should be familiar with accounting and auditing issues. The members of the Committee are elected for a term of office of one year ending at the end of the next Annual General Meeting following their designation.

The members of the Audit Committee are: Thomas Vettiger (chairman) and Riccardo Boscardin.

#### Working methods of the Board of Directors and its committees

The Board of Directors and its committees meet as often as business requires, but at least four times a year. Extraordinary meetings are held as needed and decisions may also be made by way of approval of a written circular resolution. The CEO and the CFO are usually invited to attend the meetings of the Board of Directors in an advisory capacity. At every meeting, the Board of Directors must receive information from the CEO regarding the business of the Group, the Company and the other most important Group companies. Each member of the Board of Directors may request information regarding all business of the Group as a whole, the Company or other Group companies, and may request access to corporate documents at any time.

The chairman decides whether other persons should attend all or part of any meeting of the Board of Directors, and, as the case may be, who shall be invited. These persons do not vote. The Board of Directors passes its resolutions by the majority of votes cast, each Director having one vote. Abstentions are not counted as votes cast. In case of equal votes, the chairman of the meeting has the casting vote.

Every meeting of the Board of Directors is minuted. The minutes must generally be signed by the Chairman and by the secretary of the Board of Directors. Circular resolutions must be reflected in the minutes of the next meeting of the Board of Directors. The minutes of each meeting of the Board of Directors must be approved at the next meeting of the Board of Directors.

MEETINGS: ATTENDANCE 2017

Board member	#of BoD meetings	#of BoD calls	#of AC meetings/calls	#of NCC meetings/calls
R. Boscardin	5	4	4	3
A. Baehny	5	4		3
Th. Vettiger	5	4	4	
S. Bonvin	5	3		
<b>Total</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Meetings held in reporting period</b>	<b>9</b>		<b>4</b>	<b>3</b>
<b>Average length of meetings (in hours)</b>	<b>4.5</b>	<b>0.5</b>	<b>3.5</b>	<b>1.5</b>

The Audit Committee meets at least three times a year and the Compensation Committee meets at least twice a year.

Board committee meetings are held at the invitation of the chair. A Board committee meeting may also be demanded by any committee member or the CEO (and an Audit Committee meeting may additionally be demanded by the Chairman of the Board of Directors, the CFO or the external auditors). The agenda of the Board committee meetings is compiled by the chair. Any committee member may include an agenda item. The committee members each receive documentation prior to the meetings, which enables them to prepare for discussion of the agenda items concerned. A committee meeting shall be quorate, and empowered to submit proposals to the Board of Directors, if the majority of committee members are present. The meeting votes and passes resolutions by a simple majority, whereby the meeting chair has the casting vote.

In addition to its members, meetings of the Audit Committee are attended by the CFO and the Head of Corporate Controlling. In addition to its members, meetings of the Compensation Committee are attended by the CEO. Minutes are kept of all Board committee meetings. Committee resolutions may also be passed by circular written communication provided no member demands that a meeting be convened.

An annual self-assessment procedure has been established to permanently monitor and if possible enhance the performance of the Board of Directors. This evaluates how efficiently the Board and its committees are performing their functions and meeting their responsibilities, whether each Board member participates actively in Board discussions and makes contributions based on independent judgment, and whether an environment of open discussion is maintained at Board meetings.

### Areas of responsibility

The Board of Directors is responsible for the overall, high-level management of the Company (which cannot be delegated) and the supervision of the CEO, the CFO and other members (if any) of the Executive Board. The list of duties that cannot be delegated can be found in the Organisational Regulations on the Company website <https://www.investisgroup.com/nc/en/investors/#c1386>.

With regard to the non-transferability and inalienability of the duties of the Board of Directors, reference is made to Article 716a of the Swiss Code of Obligations and Article 17 of the Articles of Association, and for more detail to Article 16 of the Organisational Regulations. The precise wording of both provisions mentioned above in English, can also be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

In addition to the responsibilities and powers of authority set out above, and in the interests of coordinated Group management, the Board of Directors is responsible at Group level for the following tasks in particular (without limitation):

#### Strategy and business orientation

- a) setting the strategy and business policy of the Group;
- b) approving the Group's business plans as proposed by the CEO;
- c) approving the model and defining the individual principles of the Group's business policy;
- d) approving the measures and transactions set out in Article 16 of the Organisational Regulations, to the extent they are of fundamental importance to the Group.

The precise wording of the provision mentioned above in English, can be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

#### Organisation and supervision

- a) approving the essential features of the Group's organisation, management, corporate governance principles and Code of Conduct;
- b) approving the organisational principles of the main subsidiaries, including the approval of amendments to parts of the Articles of Association that are of fundamental importance to the Company or the Group;
- c) issuing important regulations, instructions and guidelines at the level of the Group, provided the authority to do so is not assigned to the Executive Board;
- d) passing resolutions on the Group's underlying financial, legal and organisational structure;
- e) ensuring an internal control system and appropriate risk and compliance management at the Group level and for the main subsidiaries;
- f) processing the management's reporting with respect to the Group;
- g) passing resolutions on contracts made by the main Group companies that do not concern their daily business, as well as resolutions on initiating and withdrawing legal actions and administrative proceedings, and on the conclusion of settlements by Group companies, if the amount at stake exceeds CHF 500,000 or if the dispute has a strategic importance.



Accounting, financial controlling and planning

- a) approving the annual budget of the Group and of the main Group companies;
- b) approving the medium-term revenue plan and the investment budget of the Group;
- c) supervising the financial stability (security, liquidity, profitability) of the Group;
- d) receiving orientations on the business development of the Group and each of the main Group companies, their quarterly interim accounts as well as on significant business transactions and extraordinary events within the Group.

Human resources

- a) giving advance notice about the appointment and dismissal of members of the Board of Directors, the Executive Board and of the management of the main subsidiaries;
- b) approving general policy with respect to staff.

Other business of Group companies (other than the Company)

Beyond the responsibilities listed above, the Board of Directors has the power to approve all decisions made by Group companies that are of strategic relevance for the Investis Group.

Unless stated otherwise in the mandatory statutory provisions, the Articles of Association or the Organisational Regulations, the Board of Directors delegates management of the Group (i.e. coordinated management of the Company and all other Group companies) to the CEO. According to Article 32 of the Organisational Regulations, the CEO is mainly responsible for the operational management of Investis Group within the guidelines provided by the Board of Directors, as well as for setting Company targets, preparing and supervising compliance with the principles of general business policy, and periodic reporting to the Board of Directors.

The precise wording of the provisions mentioned above in English, can be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

#### Information and controlling instruments for supervising the Executive Board

The Board of Directors makes sure it is regularly informed about the business of the Company and the other Group companies, and about any developments that may be relevant thereto. It deals with the reports and proposals submitted by the committees of the Board of Directors, the CEO and the CFO.

The Chairman also monitors observance of legal requirements, the Articles of Association, regulations and directives issued by the Company's management bodies, and submits the requisite motions, requests and proposals to the Board of Directors. The Chairman also ensures, in collaboration with the Executive Board, that information is provided in good time about all major aspects of the Company which are of relevance to the monitoring of its activities and to the corporate decision-making process. Further details of the Chairman's duties and powers of authority are provided in Article 20 of the Organisational Regulations. The precise wording of the provision mentioned above in English, can be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

Any member of the Board of Directors may demand to be informed about the Group's affairs. The CEO is responsible for informing the Board of Directors about the current course of business and important business transactions occurring in the Company and its subsidiaries. The CEO reports to the Chairman at regular intervals. If a specific development with significant business or financial importance occurs in the course of ordinary or extraordinary business, the CEO must also inform the Chairman immediately, and the Chairman will in turn pass such information on to the members of the Board. Members of the Board of Directors may directly contact the CEO, the CFO and other members of the Executive Board or employees of any Group companies subject to the prior consent of the Chairman.

To ensure the full Board of Directors is informed directly, the Executive Board regularly attends meetings of the Board of Directors and its committees, though not if the Board or its committees need to conduct a closed session. The CFO also attends all meetings of the Audit Committee and is present for most agenda items at full Board meetings. Other members of the Executive Board attend Board meetings for particular agenda items as and when required.

In addition, the Company has implemented a management information system (MIS) for the Investis Group which is structured as follows: the financial statements of the individual subsidiaries are prepared on a monthly basis. These figures are aggregated per segment and consolidated for the Group. The figures are compared with the previous year and the budget. The attainability of the budget is assessed on the basis of quarterly reporting and forecasts. Written reports on the progress of the segment/activities are submitted to the Executive Board and the Board of Directors. Additionally the Board of Directors reviews the implementation and observance of Board resolutions and the Company's liquidity levels.

The Company's risk management function provides an established risk model for identifying, managing and monitoring strategic and operational risks throughout the Group. The Group-wide risk profile consists of the risks identified (adopting the bottom-up approach) and Group-wide strategic risks (adopting the top-down approach). The present risk profile and the current status of risks-reducing measures are regularly monitored and are reported to the Board of Directors.



## EXECUTIVE BOARD

The Executive Board is responsible for the operational management of the Investis Group and represents the Group publicly. The Executive Board corresponds to the “executive management” pursuant to the Swiss Ordinance Against Excessive Compensation in Listed Companies (Ordinance).

Name	Year of birth	Nationality	Function	Member since
Stéphane Bonvin	1967	Swiss	CEO	1994 *)
René Häsler	1963	Swiss	CFO	2015
Dieter Sommer	1965	Swiss	Head of Property Management	2017
Walter Eberle	1957	Swiss	Head of Facility Services	2017

\*) Stéphane Bonvin was the sole shareholder of Investis Investments SA from 1994 until its shares were contributed to Investis Holding SA. Thereafter, he was the sole shareholder of Investis Holding SA until its listing on 30 June 2016.

### STÉPHANE BONVIN

#### CHIEF EXECUTIVE OFFICER (CEO)

#### Member of the Executive Board and of the Board of Directors



Stéphane Bonvin founded Investis Holding AG in 1994. Since then, he has been CEO of the Investis Group and has headed its Properties division. With over 30 years of experience in the real estate sector, Stéphane Bonvin’s extensive network of contacts and wide-ranging knowledge of the property market have enabled the gradual enlargement of the Group’s portfolio. He acquired various real estate service companies between 2010 and 2014 in the fields of property management, facility management and construction management. In 2006 he co-founded the Patrimonium Group, which he served as Managing Director until 2015; he continues to sit on its Supervisory Board.

Current positions held outside the Investis Group: Stéphane Bonvin has been a member of the Supervisory Board of Patrimonium and its subsidiaries since 2006 and of Be Capital and its subsidiaries since 2015.

**RENÉ HÄSLER**  
**CHIEF FINANCIAL OFFICER (CFO)**  
**Member of the Executive Board**



Swiss Certified Public Accountant and Swiss Certified Expert for Accounting and Controlling

René Häslér has been the CFO of the Investis Group and a member of its Executive Board since 2015. Prior to this he was Head of Corporate Controlling and Senior Vice-President at Kuoni Travel Holding Ltd for 17 years. After the successful completion of his training as a Swiss Certified Expert for Accounting and Controlling, and as a Swiss Certified Public Accountant, René Häslér brought his extensive financial expertise to bear as a Senior Manager in the Auditing department of KPMG in Zurich. Prior to this he held various financial positions at Fides Treuhandgesellschaft in Geneva and at Bank Leu in Zurich.

**DIETER SOMMER**

Head of Property Management

**Member of the Executive Board**



Executive Master of Business Administration EMBA, Swiss Federal Real Estate Agents Diploma

Dieter Sommer heads the Property Management activity and sits on the Executive Board of the Investis Group since April 2017. He has extensive experience in the real estate sector and has been the CEO of Privera AG, a subsidiary of Investis, since 2014. Before joining Privera, he put his proven real estate expertise to good use during his eight years with a Swiss real estate services company, where he served as Head of Property Management and member of the Executive Board. Between 2001 and 2005, he worked for UBS Fund Management Switzerland AG as Asset Manager Real Estate and Portfolio Manager and was also responsible for the UBS SIMA real estate fund. He also worked for two well-known regional real estate companies between 1992 and 2001. He holds a Swiss Federal Real Estate Agents Diploma as well as an Executive Master of Business Administration EMBA.

**WALTER EBERLE**

Head of Facility Services Member of the Executive Board



Walter Eberle heads the Facility Services activity and sits on the Executive Board of the Investis Group since April 2017. He has been CEO of Treos AG since January 2017 and CEO of Hauswartprofis AG since 2009, two subsidiaries of Investis. Between 2009 and 2016, he professionally and successfully ran and owned Hauswartprofis. He has extensive experience and expertise in facility management. Prior to this, he was Managing Director of investment company Robinvest AG. Between 2003 and 2007, he was the Secretary General of the Federal Department of Justice and Police in Berne, after having served as general secretary for the EMS Group between 1991 and 2003. He began his career with vocational training in book printing, which he followed up with a range of additional training courses.

**Other activities and functions**

All details of other activities and any further functions of Executive Board members are provided above or on the Company website or <https://www.investisgroup.com/en/profile/#c1015>.

No member of the Executive Board holds any official function or political office.

Catherine Dubey stepped down as a member of the Executive Board as of 31 March 2017.

**Regulation and additional positions**

According to Article 23 of the Articles of Association, no member of the Executive Board may hold more than five mandates outside the Investis Group, of which no more than three may be for listed companies. All mandates must be approved by the Board of Directors. The Articles of Association, containing the precise wording of the provision mentioned above in English, can be found on the Investis website <https://www.investisgroup.com/nc/en/investors/#c1386>.

These limitations do not apply to the following:

- 1) mandates within companies controlled by Investis or which control Investis;
- 2) mandates performed by a member of the Board of Directors or the Executive Board on instruction of Investis (no member of the Board of Directors or the Executive Board may perform more than ten such mandates); and
- 3) mandates in associations, charitable foundations and pension schemes (no member of the Board of Directors or the Executive Board may hold more than ten such mandates).

Mandates as referred to herein are functions in the most senior management and administrative bodies of legal entities required to be entered in the Swiss commercial register or an equivalent foreign register. Mandates in different legal entities under joint control or with the same beneficial ownership are treated as one mandate.

### **Management contracts**

Investis Holding SA and its Group subsidiaries have not concluded any management contracts with any third parties.

## COMPENSATION, SHAREHOLDINGS AND LOANS

Details of the compensation, shares and loans of members of the Board of Directors and the Executive Board are provided in the Compensation Report.

## SHAREHOLDERS' PARTICIPATION RIGHTS

### VOTING RIGHTS RESTRICTIONS AND REPRESENTATION

The Articles of Association can be found on the Company website under Corporate Governance or under <https://www.investisgroup.com/nc/en/investors/#c1386>. The following are references to selected relevant articles:

- share ledger, restrictions on transferability and registration (Article 5)
- powers of the Annual General Meeting (Article 6)
- convening/agenda of the Annual General Meeting (Article 8)
- voting rights and adoption of resolutions, independent voting rights proxy and issuing instructions (Articles 10, 11 and 12)
- special quorums (Article 13)
- remuneration of the Board of Directors and Executive Board (Article 19)

The texts of certain provisions within the Articles of Association are presented in the following section:

### VOTING RIGHTS RESTRICTIONS AND REPRESENTATION

Each share entitles the holder to one vote. The transferability of the shares is restricted pursuant to Article 5 of the Articles of Association. For details on the restrictions on transferability, see the Capital structure chapter in this Corporate Governance section under “Restrictions on transferability and nominee registration”. Other than this, there are no restrictions.

The Articles of Association, containing the precise wording of the provision mentioned below in English, can be found on the Investis website.  
<https://www.investisgroup.com/nc/en/investors/#c1386>.

Investis recognises only one proxy per share. A shareholder may represent himself at the General Meeting or appoint a proxy, who need not be a shareholder but must present a written proxy form, or arrange to be represented by the independent proxy. The officer presiding over the General Meeting decides whether individual instances of representation are permissible. Investis ensures that the shareholders can issue their powers of attorney and instructions to the independent proxy, including by electronic means, up until 12 a.m. (noon) of the working day prior to the date of the General Meeting. Compliance with the submission deadline for powers of attorney and instructions is determined by the time at which they are received by the independent proxy. The Board of Directors determines the procedure for electronically issuing powers of attorney and instructions.

Powers of attorney and instructions may be issued only for the upcoming General Meeting.



## SPECIAL QUORUM

A resolution by the General Meeting passed with both a minimum of two thirds of the votes represented and the absolute majority of the nominal value of the shares represented shall be required in order to

- 1) amend official purpose of Investis;
- 2) introduce shares with preferential voting rights;
- 3) restrict the transferability of registered shares;
- 4) carry out any authorised or conditional capital increase;
- 5) carry out a capital increase funded by equity capital in consideration of contributions in kind or to fund acquisitions in kind and the granting of special rights;
- 6) restrict or cancel subscription rights;
- 7) relocate the registered office of the Company;
- 8) dissolve the Company;
- 9) or as prescribed otherwise by law.

## CONVOCATION OF THE GENERAL MEETING

The General Meeting is convened by the Board of Directors or, if necessary, by the auditors. Liquidators are also entitled to convene the General Meeting.

The General Meeting is convened by publishing a notice to the shareholders in the Company's official publications or by written invitation sent to the shareholders registered in the share ledger not less than 20 days before the date of the meeting. The notice of the General Meeting must contain, in addition to stating the date, time and place of the General Meeting, the agenda as well as motions proposed by the Board of Directors and any shareholders who requested the General Meeting or exercised their right to add an item to the agenda.

Subject to the provisions governing a Universal General Meeting (Universalversammlung), resolutions may not be passed on any agenda items not announced in this way except where they relate to convening an Extraordinary General Meeting or carrying out a Special General Meeting at the request of a shareholder. However, no prior notification is required for the submission of motions as part of the agenda items and for deliberations not for resolutions.

The Board of Directors must call an Extraordinary General Meeting within 20 days of being requested to do so by a written notice submitted by shareholders representing at least 10% of the share capital and specifying the business to be conducted and the motions to be put before the General Meeting.

The Annual Report, the Compensation Report and the Auditors' Report must be made available for inspection by shareholders at Investis' registered office no later than 20 days before the Annual General Meeting. A note must be included in the invitation to the General Meeting informing shareholders to this effect and of their right to request that these documents be sent to them.

## INCLUSION OF ITEMS ON THE AGENDA

Shareholders who represent at least 10% of the share capital may submit items for inclusion on the agenda. The request must be received by Investis at least 40 days before the General Meeting. Whenever applicable the due date can be found on the Investis [website](https://www.investisgroup.com/nc/en/investors/#c1535) or <https://www.investisgroup.com/nc/en/investors/#c1535>.

## ENTRIES IN THE SHARE LEDGER

All shareholders entered in the share ledger as shareholders with voting rights up to three working days before a General Meeting may vote at the meeting concerned. Shareholders who sell their shares before the General Meeting takes place are no longer entitled to vote. Shareholders who buy additional shares or sell part of their shareholding after their meeting admission card has been issued must exchange the card sent to them at the information desk on arriving at the meeting concerned.

The Board of Directors may refuse to register persons domiciled abroad within the meaning of the Federal law of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad (BewG) in the share ledger if such registration could impede the Company in providing the required proof that Investis and/or subsidiaries are under Swiss control.

The Board of Directors has the power to issue regulations on the maintenance of the share ledger and to specify registration requirements and restrictions, in particular requirements concerning the proof of a person's acquisition and holding of shares in their own name and for their own account, the percentage limits applicable to registration of persons domiciled abroad in total and for persons domiciled abroad acting individually, jointly or in association, and rules governing the distribution of free allocations to foreigners.

As at 31 December 2017, a regulation was in place to restrict the cumulative shareholding of persons domiciled abroad to 30% of the voting rights. This regulation is within the meaning of the Federal law of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad (BewG).

## CHANGES OF CONTROL AND DEFENCE MEASURES

### DUTY TO MAKE AN OFFER

There are no opting-up or opting-out clauses in the Articles of Association of Investis Holding SA within the meaning of Article 125 and 135 of the Swiss Financial Market Infrastructure Act.

### CHANGE OF CONTROL CLAUSES

In the event of a change of control, bondholders are entitled to demand the premature repayment of their bond amount. This change of control provision does not apply to Stéphane Bonvin, current controlling shareholder of Investis. Stéphane Bonvin's holding can float between 0% and 100% without triggering a change of control event for him.

In the event of a change of control in the Company, there are no agreements or schemes for the benefit of the members of the Board of Directors and the Executive Board.

## AUDITORS

### DURATION OF MANDATE AND TERM OF OFFICE OF THE AUDITOR-IN-CHARGE

The statutory auditors of Investis since its incorporation have been PricewaterhouseCoopers AG, Bahnhofplatz 10, 3001 Bern, Switzerland. PricewaterhouseCoopers AG, Place du Midi 40, Sion, have been the statutory auditors of the Group's previous holding company Investis Investments since the financial year 2013. Oliver Kuntze has been the lead auditor since the financial year 2014. Stéphane Jaquet was the lead auditor for the financial year 2013.

### AUDIT FEES

PricewaterhouseCoopers invoiced CHF 0.31 million during fiscal year 2017 for services in connection with the auditing of the annual accounts of Investis Holding SA and its Group subsidiaries, as well as the consolidated financial statements of the Investis Group (prior year CHF 0.28 million).

### ADDITIONAL FEES

For the 2017 reporting period, PricewaterhouseCoopers invoiced CHF 0.12 million in additional fees (prior year CHF 0.45 million). The prior year fees were mostly in connection with the initial public offering. No other significant fees were charged by other audit companies for any other services.

### SUPERVISORY AND CONTROLLING INSTRUMENTS WITH REGARD TO THE EXTERNAL AUDITORS

Each year, the Audit Committee of the Board of Directors evaluates the performance, remuneration and independence of the statutory auditor and proposes an external auditor to the Board of Directors which is put forward for election at the General Meeting. The Audit Committee also annually examines the scope of the external auditing, the auditing plans and the relevant processes, and discusses the audit results with the external auditors.

## INFORMATION POLICY

Investis Group maintains an open and transparent communication policy towards its shareholders, current and potential investors, financial analysts, customers, business partners and other stakeholder groups. Investis Group provides prompt and comprehensive information on the Group's business activities, while paying due and full regard to all the applicable provisions and directives of the SIX Swiss Exchange.

Investis Holding SA publishes a comprehensive Annual Report each year informing its shareholders about business developments and the Company's annual results. The Annual Report 2017 is the second one to be made available to the public and is an online version only. Of particular importance are the Corporate Governance Report integrated into the Annual Report and the Financial Report on the past business year. Investis' consolidated financial statements are compiled in compliance with Swiss GAAP FER.

The report on the half-year results is published and distributed in the same way as the Company's media releases. This report contains unaudited financial results which are compiled in compliance with Swiss GAAP FER.

Investis Holding SA occasionally publishes information on current developments within its two business units or on other Group activities. In compliance with the relevant listing regulations of the SIX Swiss Exchange, these communications are always issued simultaneously to a broad circle of recipients. The information contained in these reports and communications is considered correct at the time of its publication. Investis does not update media releases issued in the past in the light of subsequent market or business developments.

Investis conducts its reporting in accordance with the disclosure obligations set out in the Financial Market Infrastructure Act (FMIA) as well as the SIX Swiss Exchange's ad hoc publicity rules. An archive of all media releases can be found on the Company website under Media releases or <https://www.investisgroup.com/nc/en/media/>. These releases are always published in three languages, i.e. English, German and French.

Following its listing, Investis has created an archive on its website containing all published reports, presentations and other relevant published communications. This archive can also be accessed as follows: <https://www.investisgroup.com/nc/en/investors/#c1377>.

As part of its investor relations function, Investis Holding SA organises:

- the presentation of its annual results;
- conference calls around the publication of its half-year results or other information updates;
- meetings with investors and analysts, either individually or in groups on roadshows in key financial centers;
- presentations at brokers' and banks' events.

These activities are conducted with a focus on recently announced developments or financial results, and in full compliance with the SIX Exchange's directive on ad-hoc publicity.

Presentations for financial analysts and investors are regularly archived on the Company [website](#). These presentations are not constantly updated, but document long-term developments within the Company. This archive can also be accessed under: <https://www.investisgroup.com/nc/en/investors/#c1377>.

Interested parties may also add their name to the Investor Relations e-mail list on the Company [website](#) or <https://www.investisgroup.com/nc/en/investors/#c811>.

The following links may be useful:

Subject	Link
Information on Investis' shares	<a href="https://www.investisgroup.com/nc/en/investors/#c1511">https://www.investisgroup.com/nc/en/investors/#c1511</a>
Board of Directors	<a href="https://www.investisgroup.com/en/profile/#c1340">https://www.investisgroup.com/en/profile/#c1340</a>
Executive Board	<a href="https://www.investisgroup.com/en/profile/#c1015">https://www.investisgroup.com/en/profile/#c1015</a>
Articles of Association	<a href="https://www.investisgroup.com/nc/en/investors/#c1386">https://www.investisgroup.com/nc/en/investors/#c1386</a>
Organisational Regulations	<a href="https://www.investisgroup.com/nc/en/investors/#c1386">https://www.investisgroup.com/nc/en/investors/#c1386</a>
Corporate Governance (incl. Compensation Report)	<a href="https://www.investisgroup.com/nc/en/investors/#c1386">https://www.investisgroup.com/nc/en/investors/#c1386</a>
Archive	<a href="https://www.investisgroup.com/nc/en/investors/#c1711">https://www.investisgroup.com/nc/en/investors/#c1711</a>
Media releases	<a href="https://www.investisgroup.com/en/media/#c1455">https://www.investisgroup.com/en/media/#c1455</a>
Key dates	<a href="https://www.investisgroup.com/nc/en/investors/#c1388">https://www.investisgroup.com/nc/en/investors/#c1388</a>
To be added to the distribution list	<a href="https://www.investisgroup.com/nc/en/investors/#c811">https://www.investisgroup.com/nc/en/investors/#c811</a>

Key dates 2018	
Financial year close	31 December 2017
2017 annual results published	21 March
Annual Report published	21 March
Annual General Meeting	20 April
Dividend paid to banks (value date)	26 April
First half-year close	30 June
2018 Half-year results published	30 August

## COMPENSATION REPORT

### 1. INTRODUCTION

This compensation report is intended to provide an overview of the compensation structure, the compensation procedure and the compensation committee of Investis Holding SA as well as the compensation amounts paid to the members of the Board of Directors and Executive Board for fiscal year 2017. The compensation report follows the requirements of the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC) and also contains certain information which has to be disclosed pursuant to Article 663c para 3 of the Swiss Code of Obligations and sections 5.1 and 5.2 of the annex to the Directive on Information Relating to Corporate Governance of the SIX Exchange Regulation. In addition, Investis Holding SA has taken into account the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*. The compensation report regarding fiscal year 2017 has been reviewed and audited by the Company's auditors and will be submitted to the 2018 Annual General Meeting for an advisory vote. Please find the Auditors' Report at the end of this chapter.

### 2. COMPENSATION COMMITTEE

According to Article 25 of the Articles of Association and the Organisational Regulations of Investis Holding SA, the Compensation Committee consists of at least two non-executive members of the Board of Directors. The members of the Compensation Committee are elected annually and individually by the Annual General Meeting for a term of office of one year ending at the closure of the next Annual General Meeting following their election. At the end of their term of office, members of the Compensation Committee can be re-elected. The Chairman of the Compensation Committee is appointed by the Board of Directors. Currently, the Compensation Committee consists of Albert Baehny (Chairman) and Riccardo Boscardin. In the opinion of the Board of Directors, both Compensation Committee members possess the required experience for this function and are familiar with the regulatory requirements as well as with compensation practices and developments. Riccardo Boscardin, Chairman of the Board of Directors, is currently one of the members of the Compensation Committee.

The Articles of Association, containing the precise wording of the provision mentioned above and below in English, and the Organisational Regulations can be found on the Investis website. <https://www.investisgroup.com/nc/en/investors/#c1386>

The duties and responsibilities of the Compensation Committee are set out in Article 26 of the Articles of Association and further described in detail in the Organisational Regulations of Investis Holding SA as issued by the Board of Directors. In accordance with the Organisational Regulations, the Board of Directors of Investis Holding SA has adopted separate Compensation Committee regulations which govern in detail the organisation, functions, operation and modalities of the resolutions passed by the Compensation Committee. Meetings of the Compensation Committee are convened by its chairman and are held as often as required for the fulfilment of its duties but at least three times a year.



The main duty of the Compensation Committee is to develop the compensation principles, compensation policies and performance criteria with respect to compensation for the Board of Directors and the Executive Board of Investis Holding SA and to monitor their implementation in order to ensure a fair, reasonable and competitive remuneration that is consistent with the strategic objectives of Investis Group. The Compensation Committee further prepares decisions of the Board of Directors that relate to the compensation of the Board of Directors and the Executive Board and submits motions to the Board of Directors. In addition, the Compensation Committee assists the Board of Directors with respect to the preparation of the Compensation Report.

### 3. COMPENSATION PROCEDURE

The Compensation Committee annually reviews the compensation structure as well as the amounts of compensation paid to the members of the Board of Directors and the members of the Executive Board, and submits motions and recommendations for compensation-related decisions and changes to the compensation structure and policies to the entire Board of Directors. The Board of Directors takes its compensation-related decisions in response to the motions and recommendations presented by the Compensation Committee. This annual review process includes an assessment of basic salaries and fringe benefits as well as performance-based short-term remuneration and stock purchase plans.

If necessary, the Compensation Committee may use the services of independent external consultants. External consultants are usually used to ensure remuneration is benchmarked and to contribute to the design of compensation plans.

Members of the Executive Board are not involved in determining their own remuneration. The Chief Executive Officer (CEO), however, is consulted about the remuneration proposed for the other members of the Executive Board.

Recommendations by the Compensation Committee about the remuneration of members of the Board of Directors must comply with internal corporate guidelines. Remuneration of members of the Board of Directors has to be approved by all members of the Board of Directors, though when a vote is taken on compensation for a specific member of the Board of Directors, the respective member must comply with the applicable walkout rules.

#### 3.1 Performance review process

The actual remuneration effectively paid out in a given year depends on the individual's as well as on the Company's performance. Individual performance is assessed through the formal annual review process. Company and individual performance objectives are approved at the beginning of the business year and achievements against those objectives are assessed after year-end. The performance appraisal is the basis for the determination of the actual remuneration.

Objective setting (December)	Mid-year review (July)	Full-year review (January)	Determination of compensation (March)
Determination of objectives - Group - individual	Discussion of performance to date against defined objectives and corrective measures	Performance assessment	Determination of actual compensation

## 4. COMPENSATION RELATED RULES IN THE ARTICLES OF ASSOCIATION

### 4.1 Principles of compensation

Investis Group is committed to attracting, motivating and retaining the best professionals and managers to ensure the sustained success of the Company.

Pursuant to Article 19 of the Articles of Association, the members of the Board of Directors and the members of the Executive Board are entitled to a remuneration commensurate with their activities. The remuneration may be paid by the Company or by another Group company provided it is covered by the total compensation amount approved by the General Meeting for the Board of Directors and Executive Board, respectively. Reimbursement of expenses does not qualify as remuneration. The Company may reimburse members of the Board of Directors and the members of the Executive Board in the form of lump-sum expenses as recognised for tax purposes.

The Articles of Association, containing the precise wording of the provision mentioned above in English can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

### 4.2 Remuneration of the Board of Directors

The members of the Board of Directors receive fixed remuneration, half of which is awarded in shares. No other remuneration or committee fees are paid except for the relevant employer social security contributions.

The preferential allocation price of the shares concerned is redefined each year and is equal to the base price minus a discount. The base price consists of the average of the official closing prices of Investis shares at the Swiss Stock Exchange (SIX) during the calendar year prior to the share award. The Board of Directors determines the amount of discount each year at its discretion, taking into consideration the performance and results of the Investis Group during the financial year prior to the share award.

The shares are allocated on the day the Board of Directors approves the consolidated financial statements of the Investis Group. These shares are subject to a blocking period of three years. During the blocking period the shares may not be disposed of, sold, donated or transferred in any other way (other than by a transfer by operation or application of the laws of succession). Subject to applicable securities laws restricting resale of the shares at the end of the blocking period, the Member of the Board of Directors may freely dispose of the shares. During the blocking period, shares will be held for the participant in his account. The participant will have the right to vote his shares and to receive all dividends and other distributions in respect of them. In the event of a stock split, stock dividend or distribution of property other than cash affecting the shares, the shares and/or property received, will, unless the Board of Directors determines otherwise, be held in the participant's account and be subject to the transfer restrictions set out in this rule applicable to the related shares.

In the event of death or total disability of the participant, the blocking period of his shares will terminate immediately, and all of his shares will be delivered to him or his personal representative, as appropriate, as soon as practicable. The participant will be liable for any additional tax liability arising from the acceleration of the blocking period.

Unless otherwise determined by the Board of Directors, upon termination of the participant's assignment the blocking period of the shares will continue in accordance with its terms. If the Board of Directors determines otherwise, the participant will be liable for any additional tax liability arising from the acceleration of the blocking period.

If a change of control occurs, any blocking period shall be terminated, i.e. the participant has the right to sell the shares that are still subject to a blocking period.

The discount may be fully taxable according to the applicable laws. The participant is responsible for reporting the receipt of any income from these shares however made, to the appropriate tax authority.

The Board of Directors may at any time amend or terminate the plan in any respect except that no amendment or termination may adversely affect the existing rights of the participant. The participant will be given written notice of any amendment that affects him as soon as practicable.

Investis Group uses treasury shares bought at market price on the open market to grant shares. This does not dilute the value of the shares of existing shareholders.

#### **4.3 Remuneration of the Executive Board**

The remuneration of members of the Executive Board consists of a fixed and a variable component.

##### **4.3.1 Executive Board fixed compensation**

The fixed components are proposed by the Compensation Committee and approved by the Board of Directors. When considering changes to fixed salary components, benchmarking data as well as the individual's performance during the previous year are taken into account. The fixed component fluctuates between 60 and 75% of the total compensation. The fixed compensation is entirely paid in cash.

##### **4.3.2 Executive Board variable compensation**

The variable component fluctuates between 25 and 40% of the total compensation. The amount of the variable compensation depends on qualitative and quantitative targets and parameters defined by the Compensation Committee and approved by the Board of Directors. 50% of this variable compensation is paid in cash, the remaining 50% in shares. All variable compensation payments are based on the Investis business year, which extends from 1 January to 31 December.

The Board of Directors defines and assesses the targets and their achievement, or delegates this task to the Compensation Committee. All such variable compensation payments shall be a one-off remuneration and shall be subject to tax and social security contributions as applicable to the participants recurring other compensation.

The variable compensation shall be measured by the following components:

Component	
"G" for Growth	directly related to the revenue development
"O" for Operating Profit	directly related to the EBIT performance
"N" for Net Profit	directly related to the Consolidated Net Profit of the Investis Group

Each of the components G / O / N accounts for one third of the targeted variable compensation amount.

The financial targets are independent from each other and are measured and evaluated separately.

100% PAID IN CASH	50% PAID IN CASH	50% GRANTED IN SHARES
60-75% OF COMPENSATION FIXED COMPONENT	25-40% OF COMPENSATION VARIABLE COMPONENT	
	$\frac{1}{3}$	$\frac{1}{3}$
	TARGET «G»	TARGET «O»
		$\frac{2}{3}$
	1	2
		3

**TARGET «G»** «Growth» is directly related to the revenue development

**TARGET «O»** «Operating profit» is directly related to the EBIT performance

**TARGET «N»** «Net Profit» is directly related to the consolidated Net Profit of the Investis Group

- 1 Financial target under the responsibility of the respective EB Member (CEO and CFO are measured on Group level)
- 2 Financial target «one level up» (CEO and CFO are measured on Group level)
- 3 Financial target on Group level

#### 4.3.2.1 Calculation of the amounts available for variable compensation payments

**Component G** is related to the achievement of the budgeted financial targets that the respective member of the Executive Board is responsible for. If the budgeted financial target is 100% achieved, then the component G variable compensation will be paid. If the budgeted financial target is exceeded (overachieved) or is not met (underachieved), the component G variable compensation will be increased or decreased by 3% for every 1% deviation from the budgeted financial target.

**Component O** is:

- partly ( $\frac{2}{3}$ ) related to the achievement of the budgeted financial targets that the respective member of the Executive Board is responsible for; and

- partly ( $\frac{1}{3}$ ) related to the achievement of the budgeted financial targets "one level up"

If the budgeted financial target is 100% achieved, then the component O variable compensation will be paid. If the budgeted financial target is exceeded (overachieved) or is not met (underachieved), the component O variable compensation will be increased or decreased by 3% for every 1% deviation from the budgeted financial target.

**Component N** is related to the achievement of the financial targets budgeted at the Investis Group level, i.e. that the entire Executive Board is responsible for.

CEO and CFO are always measured on Group level.

#### 4.3.2.2 Cap and floor for each component

The above system is limited in both directions at 100% for each individual component, i.e. every component can vary from 0 to 200%. If the actual result is overachieved by more than 33.33% above the budgeted financial target, the respective component is set to 200%. If the actual result is underachieved by more than 33.33% below the budgeted financial target, this component will be set to 0%, i.e. to zero.

Visualisation of the compensation components described above:



#### 4.3.2.3 Financial targets

The relevant financial targets are derived from the annual budget of the Investis Group and approved by the Board of Directors.

#### 4.3.2.4 Supplementary provisions

The criteria and formulas for calculating overall variable compensation amounts are assessed and adjusted annually by the Compensation Committee. The employee's annual salary, including the target variable compensation achievable, represents a particular target package for each Executive Board member.

Should the principles on which the variable compensation component is based be affected by acquisitions (of consolidated companies and/or investment properties), divestitures (of consolidated companies and/or investment properties), major projects not budgeted but approved by the Board of Directors or an increase or decrease in the employee's responsibilities, the variable compensation calculation criteria and formulas may/will be adjusted accordingly.

Effects from the revaluation of investment properties as well as related deferred taxes are not included in any calculation of components O and N.

The Board of Directors determines the respective amounts of remuneration within the total remuneration amounts approved by the General Meeting and in response to proposals made by the Compensation Committee. All variable compensations are optional payments whose amount is at the full discretion of the Board of Directors.

#### 4.3.3 Share-based compensation

The amount a member of the Executive Board must invest in shares is set to 50% of the individual variable compensation.

The number of shares shall be equal to the portion of the variable compensation the eligible person has to invest divided by the preferential allocation price of the shares, whereby the number of shares shall be rounded off to the nearest whole number of shares. The residual rounding difference shall be paid to the participant in cash.

The preferential allocation price of the shares is redefined each year and is equal to the base price minus a discount. The base price consists of the average of the official closing prices of Investis shares at the Swiss Stock Exchange (SIX) during the calendar year prior to the share award. The Board of Directors determines the amount of discount for each year at its discretion, taking into consideration the performance and results of the Investis Group during the financial year prior to the share award.

The shares are allocated on the day the Board of Directors approves the consolidated financial statements of the Investis Group. These shares are subject to a blocking period of three years. During the blocking period the shares may not be disposed of, sold, donated or transferred in any other way (other than by a transfer by operation or application of the laws of succession). Subject to applicable securities laws restricting resale of the shares at the end of the blocking period, the Member of the Executive Board may freely dispose of the shares. During the blocking period, shares will be held for the participant in his account. The participant will have the right to vote his shares and to receive all dividends and other distributions in respect of them. In the event of a stock split, stock dividend or distribution of property other than cash affecting the shares, the shares and/or property received, will, unless the Board of Directors determines otherwise, be held in the participant's account and be subject to the transfer restrictions set out in this rule applicable to the related shares.

In the event of death or total disability of the participant, the blocking period of his shares will terminate immediately, and all of his shares will be delivered to him or his personal representative, as appropriate, as soon as practicable. The participant will be liable for any additional tax liability arising from the acceleration of the blocking period.

Unless otherwise determined by the Board of Directors, upon termination of the participant's employment as a result of resignation, retirement, dismissal or dismissal for cause, the blocking period of the shares will continue in accordance with its terms. If the Board of Directors determines otherwise, the participant will be liable for any additional tax liability arising from the acceleration of the blocking period.

If a change of control occurs, any blocking period under these regulations shall be terminated, i.e. the participant has the right to sell the shares that are still subject to a blocking period.

The discount may be fully taxable according to the applicable laws. The participant is responsible for reporting the receipt of any income from these shares however made, to the appropriate tax authority.

The Board of Directors may at any time amend or terminate the plan in any respect except that no amendment or termination may adversely affect the existing rights of the participant. The participant will be given written notice of any amendment that affects him as soon as practicable.



Investis Group uses treasury shares bought at market price on the open market to grant shares. This does not dilute the value of the shares of existing shareholders.

#### 4.4 Approval of total compensation by the General Meeting

According to Article 20 of the Articles of Association, the General Meeting approves annually, separately and with binding effect the proposals made by the Board of Directors regarding the maximum total compensation for the Board of Directors and the Executive Board as follows:

- 1) For the remuneration of the Board of Directors, the maximum total amount is approved for the period until the next Annual General Meeting;
- 2) For the remuneration of the Executive Board, the maximum total amount is approved for the fiscal year following the Annual General Meeting (approval period).

If the proposed remuneration amount for the Board of Directors or the Executive Board is rejected by the Annual General Meeting, the Board of Directors can put forward new proposals at the same General Meeting or can convene an Extraordinary General Meeting for this purpose.

The Articles of Association, containing the precise wording of the provision mentioned above in English can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

#### 4.5 Additional amount for the compensation of additional members of the Executive Board

For Investis Holding SA, the additional amount within the meaning of Article 19 of the OaEC is governed by Article 21 of the Articles of Association. Pursuant to this provision, an additional amount of not more than 33% of the last total compensation amount approved for the compensation of the members of the Executive Board is available per year for each new member of the Executive Board who is appointed after the annual total compensation has been approved by the General Meeting, provided that the aggregate amount approved for the respective approval period proves insufficient.

The Articles of Association, containing the precise wording of the provision mentioned above in English can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

#### 4.6 Loans and credits, post-retirement benefits outside the occupational pension scheme

Pursuant to Article 22 of the Articles of Association, loans and credits to members of the Board of Directors or Executive Board may only be granted at market conditions. Further, the total amount of any loans and credits granted directly or indirectly to members of the Board of Directors or Executive Board may not exceed CHF 50 million.

The Articles of Association of Investis Holding SA do not allow the payment of post-retirement benefits outside the occupational pension scheme (within the meaning of the OaEC) to members of the Board of Directors or Executive Board.

The Articles of Association, containing the precise wording of the provision mentioned above in English can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>



#### 4.8 Termination clauses applicable to members of the Executive Board

The employment contracts of the members of the Executive Board provide for a twelve-month notice period. There is no entitlement to any severance payments.

In the event of a change in corporate control, no additional compensation or benefits are paid to members of the Executive Board.

### 5. COMPENSATION, LOANS AND CREDITS TO THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The following paragraphs provide information on the compensation granted to the members of the Board of Directors and Executive Board for fiscal 2017, as well as information about loans and credits granted to the members of the Board of Directors and Executive Board, as required by the OaEC.

#### 5.1 Compensation of the Board of Directors and the Executive Board

##### 5.1.1 Compensation of the Board of Directors

(non-executive)

For the second approval period up to the 2018 Annual General Meeting maximum total compensation of CHF 0.4 million was approved by the General Meeting of 27 April, 2017 for the compensation of the Board of Directors.

The following table sets out the aggregate compensation granted to the Board of Directors for 2017 and annualised for 2016, as well as the compensation granted to the individual members of the Board of Directors.

## Compensation of the Board of Directors in detail for 2017 and annualised for 2016:

Name	Function	Basic cash compensation (fixed)	Share-based compensation (fixed) <sup>1)</sup>	Social security contributions	Total
		CHF 1,000	Number of shares <sup>2)</sup>	CHF 1,000	CHF 1,000
2017					
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	80	1,822	96	13
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	40	911	48	7
Thomas Vettiger	Member and Chairman of the Audit Committee	40	911	48	7
Stéphane Bonvin <sup>3)</sup>	Member	0	0	0	0
Total compensation 2017		160	3,644	192	26
2016 <sup>4)</sup>					
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	160			0
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	80			6
Thomas Vettiger	Member and Chairman of the Audit Committee	80			6
Stéphane Bonvin <sup>3)</sup>	Member	0			0
Total compensation 2016		320	0	0	12

- 1) The shares were valued at a market value of CHF 52.60 as per 31.12.2017. The market value calculated includes a 16% discount in view of the shares' restricted availability.
- 2) The number of shares was calculated at the preferential allocation price of CHF 43.90. The latter was calculated with the base price of CHF 58.53 minus the 2017 discount of 25%. The base price consists of the average of the official closing prices of Investis shares at the Swiss Stock Exchange (SIX) during the calendar year 2017.
- 3) Stéphane Bonvin has been compensated for his role as Chief Executive Officer (CEO) only and did not receive a separate compensation for his function as member of the Board of Directors.
- 4) These annualised remunerations were applied as of 1.7.2016.

### 5.1.2 Compensation of the Executive Board

(including the executive member of the Board of Directors)

The base compensation consists of a fixed salary and is entirely paid in cash.

Base compensation	Variable compensation
Reflects function, scope of responsibilities, experience and skills	Rewards performance and achievement of business, financial and individual objectives over a one-year period

The following table sets out the compensation granted to the Executive Board for the financial year 2017 and annualised for 2016 as well as the compensation granted to the individual member of the Executive Board who received the highest remuneration in 2017 and in 2016. For the year 2017, the shareholders' meeting has approved a maximum total compensation for the members of the Executive Board in the amount of CHF 3.2 million (for 3 members). As of 1 April 2017 an additional member of the Executive Board was appointed. Therefore, and according to Article 21 of the Articles of Association, the maximum total compensation for the Executive Board amounted to CHF 4.0 million (4 members for 9 months in 2017).

An annualised maximum total amount of CHF 2,542,000 was approved by the General Meeting of 17 June 2016 for the compensation of the Executive Board (3 members) for the shortened first approval period lasting from 1 July 2016 until 31 December 2016.

	Executive Board	of which: Stéphane Bonvin (CEO)
	CHF 1,000	CHF 1,000
<b>2017 <sup>1)</sup></b>		
Basic cash compensation (fixed)	1,339	455
Variable compensation		
- in cash <sup>2)</sup>	383	173
- in shares <sup>3)</sup>	460	207
Pension fund contribution	188	69
Social security contributions	203	86
Other <sup>4)</sup>	20	4
<b>Total compensation 2017</b>	<b>2,593</b>	<b>994</b>
<b>2016 <sup>5)6)</sup></b>		
Basic cash compensation (fixed)	1,170	455
Variable compensation		
- in cash <sup>2)</sup>	583	360
- in shares	0	0
Pension fund contribution	151	69
Social security contributions	175	87
Other <sup>4)</sup>	14	4
<b>Total compensation 2016</b>	<b>2,093</b>	<b>975</b>

- 1) Four members (3.75 FTE). Dieter Sommer and Walter Eberle joined the Executive Board on 1 April 2017, so the amounts shown include the compensation paid to them for a nine-month period. The compensation paid to Catherine Dubey is included up until she left the Executive Board (on 31 March 2017).
- 2) In the financial year 2017 the targets attained led to an achievement ratio between 102-141%, for the financial year 2016 between 117-127%.
- 3) The members of the Executive Board were assigned 8,738 shares for 2017. These shares were valued at a market value of CHF 52.60 as per 31.12.2017. The market value calculated includes a 16% discount in view of the shares' restricted availability. The number of shares was calculated at the preferential allocation price of CHF 43.90. The latter was calculated with the base price of CHF 58.53 minus the 2017 discount of 25%. The base price consists of the average of the official closing prices of Investis shares at the Swiss Stock Exchange (SIX) during the calendar year 2017.
- 4) Allowances in connection with Company car entitlements
- 5) Three members
- 6) These 2016 annualised remunerations were applied as of 1 July 2016

No remuneration was paid in 2017 to former members of the Executive Board (either directly or indirectly) or to any persons affiliated to current or former members of the Executive Board.

The Articles of Association, containing the precise wording of the provision mentioned above in English can be found on the Investis website.

<https://www.investisgroup.com/nc/en/investors/#c1386>

## 5.2 Loans and credits to the Board of Directors and Executive Board

### 5.2.1 Loans and credits to the Board of Directors

No loans or credits have been granted to any current or former members of the Board of Directors or to any persons affiliated to current or former members of the Board of Directors.

As at 31 December 2017 the Group had an outstanding loan to a related party in the amount of CHF 15 million (prior year CHF 30 million).

### 5.2.2 Loans and credits to the members of the Executive Board

No loans or credits have been granted to any current or former members of the Executive Board or to persons affiliated to current or former members of the Executive Board.

As at 31 December 2017 the Group had an outstanding loan to a related party in the amount of CHF 15 million (prior year CHF 30 million).

## 6. SHARE OWNERSHIP

### Members of the Board of Directors

(non-executive)

As at 31 December 2017 the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

As at 31 December 2017	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	2,000	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	18,867	0.1
Thomas Vettiger	Member and Chairman of the Audit Committee	1,500	<0.1
<b>Total</b>		<b>22,367</b>	<b>0.2</b>

As at 31 December 2016	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	2,000	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	18,867	0.1
Thomas Vettiger	Member and Chairman of the Audit Committee	750	<0.1
<b>Total</b>		<b>21,617</b>	<b>0.2</b>

**Members of the Executive Board**

(including the executive member of the Board of Directors)

As at 31 December 2017 the executive member of the Board of Directors and the members of the Executive Board (including their related parties) held the following Investis shares.

As at 31 December 2017	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin <sup>1)</sup>	Chief Executive Officer and member of the Board of Directors	9,791,080	76.5
René Häsler	Chief Financial Officer	11,340	0.1
Walter Eberle	Head of Facility Services	6,000	<0.1
Catherine Dubey <sup>2)</sup>	Head Real Estate Services	600	<0.1
<b>Total</b>		<b>9,809,020</b>	<b>76.6</b>

- 1) In the context of the initial public offering carried out in June 2016, Stéphane Bonvin, as selling shareholder, entered into a lock-up arrangement with Credit Suisse AG (acting on behalf of the other banks) covering any shares within a 67% stake in the share capital of Investis as of the first trading day for a period of 36 months after the first trading day.
- 2) Member of the Executive Board until 31 March 2017

As at 31 December 2016	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin <sup>1)</sup>	Chief Executive Officer and member of the Board of Directors	9,751,080	76.2
Catherine Dubey	Head Real Estate Services	600	<0.1
René Häsler	Chief Financial Officer	11,340	0.1
<b>Total</b>		<b>9,763,020</b>	<b>76.3</b>

- 1) In the context of the initial public offering carried out in June 2016, Stéphane Bonvin, as selling shareholder, entered into a lock-up arrangement with Credit Suisse AG (acting on behalf of the other banks) covering any shares within a 67% stake in the share capital of Investis as of the first trading day for a period of 36 months after the first trading day.

## REPORT OF THE STATUTORY AUDITOR



### ***Report of the statutory auditor to the General Meeting of Investis Holding SA Zurich***

We have audited the compensation report of Investis Holding SA for the year ended 31 December 2017. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 62 to 66 of the compensation report.

#### ***Board of Directors' responsibility***

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation 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 compensation 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 of Investis Holding SA for the year ended 31 December 2017 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

A blue ink signature of Oliver Kuntze, written over a light gray grid background. To the right of the signature is a small red circular stamp with a white cross, indicating a Swiss official seal.

Oliver Kuntze

Audit expert  
Auditor in charge

Bern, 19 March 2018

A blue ink signature of Marc Zurflüh, written over a light gray grid background. To the right of the signature is a small red circular stamp with a white cross, indicating a Swiss official seal.

Marc Zurflüh

Audit expert

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## CONSOLIDATED INCOME STATEMENT

In CHF 1,000	Note	2017	2016
Revenue	1, 2	189,987	161,916
Direct expenses	1	–21,863	–22,019
Personnel expenses	1, 3	–106,108	–89,657
Other operating expenses	1, 4	–24,706	–21,544
<b>Operating profit before revaluations, disposal of investment properties, depreciation and amortisation</b>		<b>37,311</b>	<b>28,695</b>
Income from revaluations	11	24,953	46,575
Income from disposal of investment properties	5	696	3,007
<b>Operating profit before depreciation and amortisation</b>		<b>62,959</b>	<b>78,277</b>
Depreciation and amortisation	12	–2,088	–1,908
<b>Operating profit (EBIT)</b>		<b>60,871</b>	<b>76,369</b>
Financial income		623	1,966
Financial expenses		–4,060	–19,684
<b>Financial result</b>	<b>6</b>	<b>–3,437</b>	<b>–17,719</b>
<b>Profit before taxes</b>		<b>57,434</b>	<b>58,650</b>
Income taxes	7	170	–13,574
<b>Net profit</b>		<b>57,604</b>	<b>45,077</b>
Of which attributable to Investis Holding SA shareholders		57,456	44,222
Of which attributable to non-controlling interests		148	855
Earnings per share in CHF (basic/diluted)	8	4.49	3.88

The disclosures in the notes form an integral part of the consolidated financial statements.

## CONSOLIDATED BALANCE SHEET

In CHF 1,000	Note	31.12.2017	31.12.2016
Cash and cash equivalents		50,539	52,940
Securities		4,066	5,313
Trade receivables	9	14,516	14,498
Other receivables		17,847	3,481
Properties held for sale	10	35,805	18,141
Prepaid expenses and accrued income		4,333	4,063
<b>Total current assets</b>		<b>127,105</b>	<b>98,435</b>
Investment properties	11	1,084,912	962,481
Tangible fixed assets	12	5,207	4,812
Intangible assets	12	1,335	908
Financial assets of related parties	14	15,000	30,000
Other financial assets	14	4,582	3,057
Deferred tax assets	18	81	56
<b>Total non-current assets</b>		<b>1,111,117</b>	<b>1,001,314</b>
<b>Total assets</b>		<b>1,238,222</b>	<b>1,099,750</b>
Current financial liabilities	16	11,692	5,322
Trade payables		4,417	3,162
Other liabilities	15	43,984	43,147
Accrued expenses and deferred income		17,417	10,541
<b>Total current liabilities</b>		<b>77,511</b>	<b>62,171</b>
Mortgages	16	9,665	225,250
Bonds	16	420,000	100,000
Other non-current financial liabilities	16	4,916	7,089
Provisions	17	2,164	2,091
Deferred tax liabilities	18	154,977	145,579
<b>Total non-current liabilities</b>		<b>591,723</b>	<b>480,009</b>
<b>Total liabilities</b>		<b>669,233</b>	<b>542,179</b>
Share capital	19	1,280	1,280
Capital reserves	19	110,777	140,857
Treasury shares	19	-1,135	-
Retained earnings		457,080	414,438
<b>Equity attributable to the shareholders of Investis Holding SA</b>		<b>568,002</b>	<b>556,575</b>
Non-controlling interests		987	995
<b>Total shareholders' equity</b>		<b>568,989</b>	<b>557,570</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,238,222</b>	<b>1,099,750</b>

The disclosures in the notes form an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

In CHF 1,000	Note	2017	2016
<b>Cash flow from operating activities</b>			
Net profit		57,604	45,077
Financial result and income taxes		3,267	31,292
<b>Operating profit (EBIT)</b>		<b>60,871</b>	<b>76,369</b>
Income from revaluations	11	-24,953	-46,575
Depreciation and amortisation	12	2,088	1,908
Income from disposal of investment properties	5	-696	-3,007
Other non-cash items		-499	-181
Changes in net working capital			
Trade receivables		805	3,276
Other receivables and prepaid expenses		-13,326	-2,288
Investments in properties held for sale		-3,672	2,302
Trade payables		306	-758
Other liabilities and accrued expenses		15,105	1,449
Income taxes paid		-7,633	-6,048
<b>Net cash from operating activities (cash flow)</b>		<b>28,397</b>	<b>26,447</b>
<b>Cash flow from investing activities</b>			
Investments in properties	11	-31,849	-67,219
Disposal of properties		11,828	7,169
Purchase of tangible fixed assets and intangible assets	12	-3,401	-1,413
Disposal of tangible fixed assets and intangible assets		1,650	64
Acquisition of subsidiaries, net of cash acquired	20	-84,228	-14,322
Repayment of loans to related parties	24	15,000	15,000
Increase of financial assets, net		-2,738	-433
Interest received		53	401
<b>Net cash used in investing activities</b>		<b>-93,683</b>	<b>-60,753</b>
<b>Cash flow from financing activities</b>			
Share capital increase	19	-	148,400
Transaction costs relating to the initial public offering	19	-	-7,555
Repayment of financial liabilities, net		-216,093	-132,971
Bond issuance		319,222	99,849
Distribution to shareholders		-30,080	-25,000
Distribution to non-controlling interests		-117	-117
Purchase of treasury shares		-1,135	-
Buyout of non-controlling interests		-	-30,737
Premature settlement of derivative financial instruments		-6,250	-5,904
Interest paid		-2,663	-6,701
<b>Net cash from financing activities</b>		<b>62,885</b>	<b>39,264</b>
<b>Net change in cash and cash equivalents</b>		<b>-2,401</b>	<b>4,957</b>
Cash and cash equivalents at beginning of period		52,940	47,983
<b>Cash and cash equivalents at end of period</b>		<b>50,539</b>	<b>52,940</b>

The disclosures in the notes form an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In CHF 1,000	Share capital	Capital reserves	Treasury shares	Retained earnings		Total equity attributable to shareholders of Investis Holding SA	Non-controlling interests	Total shareholders' equity
				Goodwill recognised	General reserves			
Equity as at 1 January 2016	1,000	-	-	-50,527	446,379	396,852	30,559	427,412
Net profit					44,222	44,222	855	45,077
Capital increase	280	148,120				148,400		148,400
Capital transaction costs		-7,263				-7,263		-7,263
Distribution to shareholders					-25,000	-25,000	-117	-25,117
Changes in scope of consolidation				-201		-201		-201
Buyout of non-controlling interests				-435		-435	-30,302	-30,737
Equity as at 31 December 2016	1,280	140,857	-	-51,163	465,601	556,575	995	557,570
Equity as at 1 January 2017	1,280	140,857	-	-51,163	465,601	556,575	995	557,570
Net profit					57,456	57,456	148	57,604
Distribution to shareholders		-30,080				-30,080	-117	-30,197
Purchase of treasury shares			-1,135			-1,135		-1,135
Changes in scope of consolidation				-14,814		-14,814	-40	-14,854
Equity as at 31 December 2017	1,280	110,777	-1,135	-65,977	523,057	568,002	987	568,989

The disclosures in the notes form an integral part of the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### ACCOUNTING PRINCIPLES

Investis Holding SA (“the Company”) is based in Zurich, Switzerland. Its shares have been traded on the SIX Swiss Exchange since 30 June 2016 (IREN). The consolidated financial statements, prepared as at 31 December 2017, include Investis Holding SA and all its direct or indirect subsidiaries and joint ventures (Investis Group) as well as its shareholdings in associated companies.

The business activity of the Investis Group includes the long-term holding of residential and commercial properties as well as comprehensive real estate services in the areas of property management and facility services.

The Company was incorporated on 7 June 2016 as the new parent company of the Group by contribution in-kind of all shares of Investis Investments SA into the Company. Unless otherwise indicated, all historical financial information has been extracted or derived from the audited consolidated financial statements of Investis Investment SA as of and for the year ended 31 December 2015, which represent all of the Group’s business as of these dates and for these periods.

#### BASIS OF ACCOUNTING

The consolidated financial statements of Investis Holding SA have been prepared in accordance with Swiss GAAP FER as a whole and with the special provisions for real estate companies specified in article 17 of the SIX Swiss Exchange’s Directive on Financial Reporting. They give a true and fair view of the assets, liabilities and earnings of Investis Group.

The consolidated financial statements have been prepared applying the principle of historical cost accounting or fair value. Please refer to the “Key accounting and valuation principles” in this chapter for the valuation principles of individual balance sheet items. The income statement is presented by nature. The financial statements have been drawn up on the basis of going concern values.

Assets realised or consumed in the ordinary course of business within twelve months or held for sale purposes are classified as current assets. All other assets are included in non-current assets. Liabilities to be settled in the ordinary course of business or falling due within twelve months from the balance sheet date are classified as current liabilities. All other liabilities are classified as non-current liabilities.

#### FIRST-TIME APPLICATION OF SWISS GAAP FER STANDARDS

In the year under review the Swiss GAAP FER accounting principles have not been changed.

## CONSOLIDATION PRINCIPLES

The consolidated financial statements are based on the individual financial statements of the Group companies, which were prepared as at 31 December 2017 and determined according to uniform accounting policies. The relevant accounting principles are described below. The consolidated financial statements are presented in Swiss francs (CHF). Unless otherwise stated, all amounts are stated in thousands of Swiss francs (CHF 1,000). Due to rounding, parts of an item that has been broken down may add up to more or less than 100% of the total item.

The consolidated financial statements include all subsidiaries that are directly or indirectly controlled by Investis Holding SA. Investis Group controls a subsidiary if it is exposed to the fluctuating returns of the investment or if it holds rights to these returns and has the ability to influence these returns given its power over the subsidiary. This is the case where the Investis Group holds more than 50% of the voting rights of an entity or where the Investis Group has been granted management of an entity contractually or is exercising control by other means. These entities are fully consolidated; assets, liabilities, income and expenses are incorporated in the consolidated accounts and all intercompany balances are eliminated.

Joint ventures are entities which Investis Group jointly controls with one or more joint venture partners, and whereby Investis Group is heavily involved in the management. Joint ventures are consolidated proportionally.

Associates are all companies on which Investis Group exerts significant influence, but does not have control. This is generally evidenced when Investis Group holds voting rights and share capital ownership of between 20% and 50% of a company. Investments in associated companies are recognised using the equity method. Ownership of shares in organisations where Investis has voting rights of less than 20% of the total is recognised as financial assets at acquisition cost, less any necessary write-downs.

Capital consolidation is based on the purchase method. Companies acquired by the Investis Group are included in the consolidated financial statements from the date of obtaining control. The net assets previously recognised by the acquired subsidiary are revalued at acquisition date using uniform Group accounting principles and then consolidated. Any difference between the higher purchase price and the net assets acquired (goodwill) is off-set against retained earnings. Where an off-set takes place with retained earnings, the impact of this theoretical capitalisation and amortisation over the estimated useful life of five years is disclosed separately in the notes.

In a business acquisition achieved in stages (including transactions with minorities) the goodwill is determined on each separate transaction and off-set against retained earnings. Goodwill arising from acquisitions of associates is recognised as part of the investment.

Companies sold are excluded from the scope of consolidation as of the date on which the Group ceases to have control, with any gain or loss recognised in income. Non-controlling interests in equity and profit are presented separately in the consolidated balance sheet and the consolidated income statement.

Changes in the consolidated companies are disclosed in [Note 20](#).

## TRANSLATION OF FOREIGN CURRENCIES

All Group companies prepare their financial statements in CHF.

## KEY ACCOUNTING AND VALUATION PRINCIPLES

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts with banks, as well as fixed-term deposits with a maturity of less than three months, and are shown at nominal value. Positions in foreign currencies are translated at the spot rate on the balance sheet date.

### Securities

Securities include investments in shares and bonds, and include longer-term fixed-term deposits and money market investments with a maturity of more than three months. They are valued at fair value.

### Trade receivables and other receivables

Trade receivables and other receivables are stated at nominal value. Provisions for doubtful debts are made in cases where the Group faces a risk of not collecting the outstanding amount. Changes in provisions are recognised in the income statement.

### Properties held for sale

Investment properties leased out but intended for sale are classified under current assets as properties held for sale.

Development properties (projects) intended for sale are accounted for at the lower of cost (incl. interest incurred during the construction phase) or fair value and are recognised under current assets. The costs are recognised in line with the progress of the project. The costs essentially include the plot of land as well as the directly attributable construction costs in line with the construction progress. Discounts are recorded as a reduction in construction costs.

### Investment properties

The portfolio consists of the following categories:

- Residential properties
- Commercial properties
- Properties under construction
- Undeveloped plots of land

Investment properties are held for long-term investment purposes with the aim of realising revenues from the letting of properties. Investment properties are accounted for at fair value in accordance with Swiss GAAP FER 18 and as such are not subject to depreciation. The fair values are updated and calculated using the discounted cash flow (DCF) method on an annual basis by an independent property appraiser based on the individual risk profile per property. Single-family houses and condominiums are valued by the independent property appraiser using a sales comparison approach. In accordance with the provisions of Swiss GAAP FER, increases and decreases in value are recognised in the income statement in the period in which they occur, after consideration of any resulting deferred taxes. Investment properties under construction and undeveloped plots of land are recorded at fair value from the date on which their fair value can be reliably determined. Investis has defined the existence of a final construction permit, plus a definite construction project in which costs and revenues can be determined reliably, as mandatory requirements for a reliable market valuation. If the conditions for a reliable assessment of market value are not yet present, investment properties under construction and undeveloped plots of land are accounted for at cost. Provided they do not lead to an increase in market value, investments and refurbishments are recorded as an expense in the period in which they are incurred.

Borrowing costs for the financing of properties under construction and undeveloped plots of land are capitalised. Other borrowing costs are charged to financial expenses.

### **Tangible fixed assets**

Other tangible fixed assets are stated at cost less depreciation and impairment. The depreciation is on a straight-line basis over their estimated useful lives: three to ten years for office and other equipment.

### **Intangible assets**

Acquired intangible assets are stated at cost less amortisation and impairment. The amortisation is on a straight-line basis over their estimated useful lives: three to five years for intangible assets. Internally generated intangible assets are not capitalised.

### **Investments in associated companies**

Ownership interests of more than 20% in companies but in which the Investis Group has no control are classified as investments in associated companies and are valued and accounted for using the equity method.

### **Financial assets and financial assets of related parties**

These items include long-term loans and other long-term receivables that are stated at their nominal value.

### **Deferred tax assets**

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unused tax losses can be utilised.



### **Impairment of assets**

If there is any indication of impairment, an impairment test is performed immediately. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the income statement. As the goodwill is already charged against equity at the date of the acquisition, an impairment of the goodwill does not affect the income statement but leads to a disclosure in the notes only.

### **Trade payables and other liabilities**

Trade payables and other liabilities are recognised at their nominal values. They are recognised under current liabilities unless a broader economic perspective requires them to be assigned to non-current liabilities.

### **Short-term and long-term financial debt**

Mortgages and fixed advances that are not repaid within twelve months, but are renewed, are regarded financially as long-term borrowings and disclosed as such in the balance sheet. Amortisations due within twelve months are disclosed as current financial liabilities. Financial debt is stated at its nominal value.

Bond emission costs, reduced by the amount of the premium, are charged in full to the income statement upon issue of the bonds.

### **Provisions**

Provisions are recognised only if the company has a present obligation to a third party as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the obligation can be sufficiently reliably estimated. Provisions are presented as being either short- or long-term in accordance with their expected due dates.

### **Deferred tax liabilities**

Deferred taxes are calculated by applying the balance sheet liability method for any temporary difference between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. They include deferred taxes on revaluation of investment properties.

The current income tax rates are applied in cantons with a two-tier system. In cantons with a single-tier system there is a separate property gains tax with speculation surcharges or deductions for the period of ownership, depending on the holding period. For properties that are intended for sale, the actual holding period will apply. For the remaining properties, a holding period of 20 years, or the effective holding period will apply, provided it is more than 20 years. Liabilities for deferred taxes are not discounted.

The tax rates applied in the financial year and preceding years lie between 17% and 24%.

## Pension liabilities

All companies in the Investis Group are members of independent collective pension plan foundations with defined contribution plans. The capitalisation of possible economic benefits (stemming from a surplus in the pension institution) is neither intended nor do the conditions for this exist. A financial obligation is carried as a liability if the conditions for the establishment of a provision are met.

## Equity

Treasury shares (own equity instruments held by the Group) are accounted for as a reduction of equity at acquisition cost and are not subsequently remeasured. When shares are sold out of treasury shares, the resulting profit or loss is recognised in the capital reserves, net of tax.

## Share-based compensation

Share-based compensation to members of the Board of Directors and the Executive Board are stated at fair value and recognised in personnel expenses in the period in which the service is performed. Share-based compensation is disclosed in chapters 4.2 (for the Board of Directors) and chapter 4.3.3 (for the Executive Board) of the Compensation Report.

## Financial result

This item includes interest income and expenses, exchange rate differences, gains and losses on securities and other financial income and expenses.

## Derivative financial instruments

The accounting of derivative financial instruments used to hedge interest rate risks depends on the hedged underlying transaction. Derivatives to hedge changes in the value of an underlying transaction already recorded in the accounts will be posted using the same valuation principles used for the hedged item. Effective instruments to hedge future cash flows are not recognised on the balance sheet, but disclosed in the notes until the future cash flow has been realised. When the future transaction is realised or upon disposal of the derivative, the current value of the derivative is posted and recorded in the income statement simultaneously with a posting of the hedged cash flow.

Derivative financial instruments not designated as hedging instruments are accounted for at fair value. Changes in the fair value are recognised immediately in the income statement.

All derivative financial instruments open on the balance sheet date are disclosed in Note 21 to the financial statements.

## Transactions with related parties/shareholders

Related parties include natural or legal persons who could exert a significant direct or indirect influence on financial and operating decisions affecting Investis Holding SA. Organisations that are directly or indirectly controlled by a related party are also classified as related parties. Major transactions with related parties are disclosed in Note 24.

## Segment information

The following operating and reporting segments have been identified based on the management structure as well as the reporting to the Executive Board and the Board of Directors:

- Properties: invests primarily in Swiss residential properties
- Real Estate Services: provides comprehensive real estate services in Switzerland

Segment reporting is prepared to operating profit (EBIT) level since this key figure is used for management purposes. All operating assets and liabilities that can be assigned to the segments, either directly or on a reasonable basis, are reported in the respective segment. There are no differences between the accounting and valuation principles used for segment reporting and those used for the preparation of the consolidated financial statements.

The position “segment elimination” contains transactions between segments.

## Off-balance sheet transactions

Contingent liabilities as well as other obligations for which a provision has not been recorded are assessed at each balance sheet date and are disclosed in the notes to the financial statements. If contingent liabilities or other obligations could lead to an outflow of funds without a useable inflow of funds, and this outflow of funds is probable and can be estimated, a provision is recorded.

## Appraisals

The preparation of financial statements requires judgement and assumptions to be made. This will affect the reported asset values, liabilities and contingent liabilities at the balance sheet date, as well as income and expenses during the reporting period. If assumptions that were made at the date of the financial statements to the best of management’s knowledge and belief differ from the actual circumstances, the original assessments and assumptions will be adjusted in the reporting year in which the circumstances change.

## Risk management

The Investis Group has a risk management programme. Every year a risk analysis is carried out to compile and document all business risks in accordance with uniform criteria. The identified risks are then assessed according to their probability of occurrence and their potential scope. Financial implications as well as general effects are taken into account when determining the potential impact on the Group. Such risks are then either borne, avoided, reduced or passed on by the measures decided upon by the Board of Directors.

## 1. SEGMENT REPORTING

## SEGMENT INFORMATION 2017

In CHF 1,000	Properties	Real Estate Services	Corporate	Eliminations	Investis Group
Revenue <sup>1)</sup>	47,492	147,637	-	-5,142	189,987
Direct expenses	-12,814	-14,178	-	5,129	-21,863
Personnel expenses	-599	-101,902	-3,606	-	-106,108
Other operating expenses	-1,685	-21,817	-1,216	13	-24,706
<b>Operating profit before revaluations, disposal of investment properties, depreciation and amortisation</b>	<b>32,394</b>	<b>9,740</b>	<b>-4,823</b>	<b>0</b>	<b>37,311</b>
Income from revaluations	24,953				24,953
Income from disposal of investment properties	696				696
<b>Operating profit before depreciation and amortisation</b>	<b>58,042</b>	<b>9,740</b>	<b>-4,823</b>	<b>-</b>	<b>62,959</b>
Depreciation and amortisation	-4	-1,900	-185	-	-2,088
<b>Operating profit (EBIT)</b>	<b>58,039</b>	<b>7,839</b>	<b>-5,007</b>	<b>-</b>	<b>60,871</b>
<b>Total segment assets as at 31 December 2017 <sup>2)</sup></b>	<b>1,142,532</b>	<b>75,790</b>	<b>31,175</b>	<b>-11,275</b>	<b>1,238,222</b>
<b>Total segment liabilities as at 31 December 2017 <sup>2)</sup></b>	<b>19,708</b>	<b>54,462</b>	<b>606,338</b>	<b>-11,275</b>	<b>669,233</b>
Headcount as at 31 December 2017	9	1,397	14		1,420
FTE as at 31 December 2017	9	1,126	13		1,147
FTE (full-time equivalent, average over the period)	4	1,126	13		1,143

1) Revenue is generated exclusively in Switzerland.

2) The assets and liabilities shown under "Corporate" include the corporate items from the balance sheet and the financial assets/liabilities and tax assets/liabilities of the Investis Group.

## SEGMENT INFORMATION 2016

In CHF 1,000	Properties	Real Estate Services	Corporate	Eliminations	Investis Group
Revenue <sup>1)</sup>	41,852	136,094	-	-16,030	161,916
Direct expenses	-12,696	-25,345	-	16,022	-22,019
Personnel expenses	-353	-86,368	-2,937	-	-89,657
Other operating expenses	-1,509	-19,089	-954	8	-21,544
<b>Operating profit before revaluations, disposal of investment properties, depreciation and amortisation</b>	<b>27,293</b>	<b>5,293</b>	<b>-3,891</b>	<b>0</b>	<b>28,695</b>
Income from revaluations	46,575				46,575
Income from disposal of investment properties	3,007				3,007
<b>Operating profit before depreciation and amortisation</b>	<b>76,875</b>	<b>5,293</b>	<b>-3,891</b>	<b>-</b>	<b>78,277</b>
Depreciation and amortisation	-196	-1,401	-311	-	-1,908
<b>Operating profit (EBIT)</b>	<b>76,679</b>	<b>3,892</b>	<b>-4,202</b>	<b>-</b>	<b>76,369</b>
<b>Total segment assets as at 31 December 2016 <sup>2)</sup></b>	<b>992,915</b>	<b>68,269</b>	<b>44,490</b>	<b>-5,925</b>	<b>1,099,750</b>
<b>Total segment liabilities as at 31 December 2016 <sup>2)</sup></b>	<b>12,811</b>	<b>49,104</b>	<b>486,189</b>	<b>-5,925</b>	<b>542,179</b>
Headcount as at 31 December 2016	2	1,132	12		1,146
FTE as at 31 December 2016	2	906	11		919
FTE (full-time equivalent, average over the period)	2	889	11		902

1) Revenue is generated exclusively in Switzerland.

2) The assets and liabilities shown under "Corporate" include the corporate items from the balance sheet and the financial assets/liabilities and tax assets/liabilities of the Investis Group.

## 2. REVENUE FROM LETTING OF PROPERTIES

### DURATION OF EXISTING FIXED LEASES OF COMMERCIAL PROPERTIES

The duration of existing fixed leases of commercial properties was:

In CHF million	Annualised rental income	
	31.12.2017	31.12.2016
Less than one year	0.5	0.8
1–5 years	3.1	1.6
More than 5 years	1.6	2.3

### MOST IMPORTANT TENANTS

The five most important tenants measured according to property income were (in alphabetical order):

- As of 31.12.2017: Hospice Général, Permanent Mission of India to the UN in Geneva, Valotel Management (Fribourg) Sàrl, Valotel Management (Rothrist) AG and Valotel Management (Sion) SA
- As of 31.12.2016: Brandt SA, Duca SA, Valotel Management (Fribourg) Sàrl, Valotel Management (Rothrist) AG and Valotel Management (Sion) SA

Share of annualised rental income (%)	31.12.2017	31.12.2016
Most important tenant	1.5%	1.6%
Second to fifth most important tenants	3.1%	3.2%
Five most important tenants	4.6%	4.8%

## 3. PERSONNEL EXPENSES

In CHF 1,000	2017	2016
Wages and salaries	88,752	74,559
Social security	9,668	8,195
Pension funds	5,271	4,746
Other personnel expenses	2,416	2,157
<b>Total personnel expenses</b>	<b>106,108</b>	<b>89,657</b>

The expenses related to the share-based compensation recognised in the personnel expenses amount to CHF 0.7 million (2016: —).

There are no pension funds with a surplus or deficit (full-value insurance) or employer contribution reserves.

## 4. OTHER OPERATING EXPENSES

In CHF 1,000	2017	2016
Rent and utilities	6,983	6,570
Administrative expenses	12,997	11,529
Other operating expenses	4,726	3,446
<b>Total other operating expenses</b>	<b>24,706</b>	<b>21,544</b>

## 5. INCOME FROM DISPOSAL OF INVESTMENT PROPERTIES

In CHF 1,000	2017	2016
Sales proceeds, net	23,346	13,596
Investment costs	-20,366	-5,199
<b>Gross profit from disposal of investment properties</b>	<b>2,980</b>	<b>8,397</b>
Accumulated valuation gains	-2,284	-5,390
<b>Net profit on disposal of investment properties</b>	<b>696</b>	<b>3,007</b>
Of which profits on disposal of properties held for sale	135	2,113
Of which profits on disposal of residential properties	178	24
Of which profits on disposal of commercial properties	384	869

For details of the investment properties sold see [Note 10](#) and [Note 11](#).

## 6. FINANCIAL RESULT

In CHF 1,000	2017	2016
Interest income	53	115
Share of results of associates	125	35
Other financial income	445	1,815
<b>Total financial income</b>	<b>623</b>	<b>1,966</b>
Interest expenses on mortgages and bonds	-2,663	-6,512
Other interest expenses	-0	-132
Other financial expenses	-1,397	-13,040
<b>Total financial expenses</b>	<b>-4,060</b>	<b>-19,684</b>
<b>Total financial result</b>	<b>-3,437</b>	<b>-17,719</b>

In 2017, other financial expenses include CHF 0.8 million for the issuance of bonds and CHF 0.6 million for unrealised losses on securities.

In 2016, other financial expenses include CHF 5.9 million from the premature termination of a part of the interest rate swaps and CHF 6.6 million from recognition of the remaining swaps on the balance sheet (see [Note 21](#)).



## 7. INCOME TAXES

In CHF 1,000	2017	2016
Current income taxes	2,193	1,771
Deferred income taxes	-2,364	11,802
<b>Total income taxes</b>	<b>-170</b>	<b>13,574</b>

Due to the release of deferred tax liabilities the total income taxes resulted in an income in 2017.

In 2017, deferred taxes in the amount of CHF 10.8 million had to be reversed due to an announcement by Canton Vaud on 1 November 2017, that corporate tax reform would be implemented on the cantonal level at the beginning of 2019. This reform sets the new corporate tax rate at 13.79% as from 1 January 2019.

The difference between the expected income tax expense and the income tax expense shown in the income statement can be explained as follows:

In CHF 1,000	2017	2016
Profit before taxes	57,434	58,650
Expected Group tax rate	23%	24%
<b>Expected income taxes</b>	<b>13,210</b>	<b>14,076</b>
Non-deductible expenses	265	93
Tax-free income	-27	0
Use of non-capitalised tax losses carried forward	-974	-214
Non-capitalisable tax losses for the period	207	342
Expenses/income which are taxed at a lower/higher tax rate	-477	-471
Impact of changes in tax rate on deferred tax items recognised	-12,318	-220
Tax effects for prior periods	-57	-31
<b>Effective income tax charge</b>	<b>-170</b>	<b>13,574</b>
Effective tax rate	-0%	23%

Deferred income taxes are calculated for each subsidiary using the local tax rates. In 2017, the anticipated deferred taxes decreased as a result of the determined tax rate changes; this resulted in a positive tax effect of CHF 12.3 million (see also comments above). In 2017, the non-capitalised tax assets from losses carried forward decreased from CHF 1.6 million in 2016 to CHF 1.0 million. Deferred income tax assets include deferred income taxes on temporary differences. Accrued expenses and other liabilities include accrued taxes of CHF 0.7 million (2016: 1.9 million).

## 8. EARNINGS PER SHARE AND NET ASSET VALUE

Earnings per share are calculated by dividing the net profit attributable to Investis Holding SA shareholders by the weighted average number of outstanding shares entitled to dividends. All new shares are entitled to full dividend rights. For both periods under review there were no dilutive effects.

### WEIGHTED AVERAGE NUMBER OF SHARES

	2017	2016
Shares issued as at 1 January <sup>1)</sup>	12,800,000	10,000,000
Effects of capital increase (average) <sup>2)</sup>	-	1,400,000
Effects of change in holdings of treasury shares	-2,969	-
<b>Weighted average number of shares as at 31 December</b>	<b>12,797,031</b>	<b>11,400,000</b>

- 1) In order to enhance comparability, the number of shares as of 1 January 2016 reflects the number of shares of Investis Holding SA when it was incorporated on 7 June 2016. The number of shares of Investis Investments SA (formerly Investis Holding SA) as at 1 January 2016 amounted to 1,000,000 shares.
- 2) The capital increase (initial public offering of 2,800,000 shares) was effective on 30 June 2016, which resulted in the increase of the weighted average number of shares of 1,400,000.

### EARNINGS PER SHARE

		31.12.2017	31.12.2016
Net profit attributable to Investis Holding SA shareholders	in CHF 1,000	57,456	44,222
Weighted average number of shares		12,797,031	11,400,000
<b>Earnings per share (basic/diluted)</b>	<b>in CHF</b>	<b>4.49</b>	<b>3.88</b>

### NET ASSET VALUE PER SHARE

		31.12.2017	31.12.2016
Equity attributable to the shareholders of Investis Holding SA at end of period	in CHF 1,000	568,002	556,575
Number of shares		12,800,000	12,800,000
<b>NAV per share (basic/diluted)</b>	<b>in CHF</b>	<b>44.38</b>	<b>43.48</b>

### NET ASSET VALUE NOT INCLUDING DEFERRED TAXES WITH REGARD TO INVESTMENT PROPERTIES

		31.12.2017	31.12.2016
Equity attributable to the shareholders of Investis Holding SA at end of period	in CHF 1,000	568,002	556,575
Deferred taxes with regard to investment properties		147,625	145,551
<b>Net asset value not including deferred taxes with regard to investment properties</b>		<b>715,626</b>	<b>702,126</b>
Number of shares		12,800,000	12,800,000
<b>NAV per share not including deferred taxes with regard to investment properties (basic/diluted)</b>	<b>in CHF</b>	<b>55.91</b>	<b>54.85</b>

## 9. TRADE RECEIVABLES

In CHF 1,000	31.12.2017	31.12.2016
Trade receivables	14,442	11,684
Receivables from property accounts	970	3,235
Receivables from related parties	530	640
Provision for doubtful debts	-1,427	-1,061
<b>Total trade receivables</b>	<b>14,516</b>	<b>14,498</b>

Receivables from property accounts mainly include expenses for properties that were paid shortly before the balance sheet date but not yet reimbursed by the owners.

## 10. PROPERTIES HELD FOR SALE

In CHF 1,000	2017	2016
Acquisition costs as at 1 January	18,141	14,116
Changes in scope of consolidation	6,529	-
Increases	15,172	724
Capitalisation of borrowing costs	19	-
Disposals	-11,383	-913
Reclassifications	7,328	4,213
<b>Acquisition costs as at 31 December</b>	<b>35,805</b>	<b>18,141</b>

In 2017, the residential properties “Chemin du Marquisat 15” in St-Sulpice, “Chamblandes; PPE” in Pully and one apartment in the jointly held (50%) property “Le Prado” in Lens were sold. The land “Saanen”, previously undeveloped plots of land, was reclassified as property held for sale.

On 21 November 2017, Investis increased its stake in the company La Foncière de la Dixence SA from 50% to 75%. Thus the consolidation method changed from proportional consolidation to full consolidation, which resulted in an addition from changes in scope of consolidation of CHF 6.5 million. The project company is in charge of planning and financing the Dixence Resort development project in Hérémeence.

In 2016, two apartments in the jointly held (50%) property “Le Prado” in Lens were sold. The plot “Hérémeence” was transferred from undeveloped plots of land to properties held for sale.

## 11. INVESTMENT PROPERTIES

In CHF 1,000	Residential properties	Commercial properties	Properties under construction	Undeveloped plots of land	Total investment properties
<b>Market value as at 1 January 2016</b>	<b>745,866</b>	<b>81,045</b>	<b>3,507</b>	<b>12,235</b>	<b>842,653</b>
Acquisition costs as at 1 January 2016	285,621	57,471	4,073	12,235	359,400
Changes in scope of consolidation	-	19,923	-	-	19,923
Increases	39,462	23,452	4,000	295	67,209
Capitalisation of borrowing costs	-	-	-	10	10
Disposals	-187	-3,099	-	-999	-4,285
Reclassifications	8,009	-	-8,009	-4,213	-4,213
<b>Acquisition costs as at 31 December 2016</b>	<b>332,905</b>	<b>97,747</b>	<b>64</b>	<b>7,328</b>	<b>438,044</b>
Revaluation as at 1 January 2016	460,245	23,574	-566	-	483,253
Gains on valuations	60,592	1,097	-	-	61,689
Losses on valuations	-11,202	-3,912	-	-	-15,114
Disposals	-13	-5,377	-	-	-5,390
Reclassifications	-566	-	566	-	0
<b>Revaluation as at 31 December 2016</b>	<b>509,056</b>	<b>15,382</b>	<b>-</b>	<b>-</b>	<b>524,438</b>
<b>Market value as at 31 December 2016</b>	<b>841,961</b>	<b>113,129</b>	<b>64</b>	<b>7,328</b>	<b>962,481</b>
<b>Market value as at 1 January 2017</b>	<b>841,961</b>	<b>113,129</b>	<b>64</b>	<b>7,328</b>	<b>962,481</b>
Acquisition costs as at 1 January 2017	332,905	97,747	64	7,328	438,044
Changes in scope of consolidation	61,243	22,857	122	-	84,221
Increases	18,513	360	11,304	1,673	31,849
Disposals	-4,017	-4,965	-	-	-8,982
Reclassifications	-3,211	-	3,211	-7,328	-7,328
<b>Acquisition costs as at 31 December 2017</b>	<b>405,432</b>	<b>115,999</b>	<b>14,701</b>	<b>1,673</b>	<b>537,804</b>
Revaluation as at 1 January 2017	509,056	15,382	-	-	524,438
Gains on valuations	37,336	625	-	-	37,962
Losses on valuations	-8,319	-4,126	-563	-	-13,008
Disposals	-2,187	-97	-	-	-2,284
Reclassifications	-689	-	689	-	0
<b>Revaluation as at 31 December 2017</b>	<b>535,197</b>	<b>11,785</b>	<b>126</b>	<b>-</b>	<b>547,108</b>
<b>Market value as at 31 December 2017</b>	<b>940,629</b>	<b>127,784</b>	<b>14,826</b>	<b>1,673</b>	<b>1,084,912</b>

Increases consisted of value-enhancing renovations, purchases of buildings and investments.

In 2017, six residential properties (Avenue Général-Guisan 40 in Pully, Chemin Fagne 1 in Bière, Route de Tsarbouye 61 in Crans-Montana, Route du Pont du Diable 3 in Lens, Rue de la Télérésidence 2 in Lens and one building plot of Route de Crans 87 in Lens) and one commercial property (Chemin de Planchy 15/15a in Bulle) were sold.

In 2016, one residential property (Route du Pont du Diable 7 in Lens) and two commercial properties (Chocolatière 21 in Echandens, C.-F. Ramuz 106 in Pully) were sold. CHF 3.4 million of the sales price was paid in securities, so the sales price was non-cash-effective to this extent.

The valuation of investment properties was carried out by Wüest Partner AG in accordance with national and international standards and guidelines.

## 12. TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

In CHF 1,000	Tangible fixed assets	Intangible assets
<b>Net carrying amount as at 1 January 2016</b>	<b>5,012</b>	<b>1,267</b>
Acquisition costs as at 1 January 2016	9,469	3,446
Changes in scope of consolidation	28	-
Additions	1,083	330
Disposals	-154	-
<b>Acquisition costs as at 31 December 2016</b>	<b>10,428</b>	<b>3,776</b>
Accumulated depreciation/amortisation as at 1 January 2016	4,458	2,180
Changes in scope of consolidation	26	-
Depreciation/amortisation in the reporting period	1,219	689
Disposals	-87	-
<b>Accumulated depreciation/amortisation as at 31 December 2016</b>	<b>5,615</b>	<b>2,869</b>
<b>Net carrying amount as at 31 December 2016</b>	<b>4,812</b>	<b>908</b>
Acquisition costs as at 1 January 2017	10,428	3,776
Changes in scope of consolidation	2,562	-
Additions	2,293	1,107
Disposals	-3,427	-494
<b>Acquisition costs as at 31 December 2017</b>	<b>11,855</b>	<b>4,390</b>
Accumulated depreciation/amortisation as at 1 January 2017	5,615	2,869
Changes in scope of consolidation	1,339	-
Depreciation/amortisation in the reporting period	1,426	663
Disposals	-1,732	-476
<b>Accumulated depreciation/amortisation as at 31 December 2017</b>	<b>6,647</b>	<b>3,055</b>
<b>Net carrying amount as at 31 December 2017</b>	<b>5,207</b>	<b>1,335</b>

All intangible assets were acquired.

## 13. GOODWILL ARISING FROM ACQUISITIONS

The goodwill resulting from acquisitions is charged against equity at the acquisition date.  
The theoretical amortisation is based on a straight-line method over a useful life of five years.  
The theoretical capitalisation of the goodwill would affect the results of the consolidated financial statements as follows:

### THEORETICAL MOVEMENTS IN GOODWILL

In CHF 1,000	2017	2016
<b>Acquisition costs</b>		
Acquisition costs as at 1 January	51,163	50,527
Additions	14,814	636
<b>Acquisition costs as at 31 December</b>	<b>65,977</b>	<b>51,163</b>
Accumulated amortisation as at 1 January	28,308	19,618
Amortisation for the period	11,704	8,690
<b>Accumulated amortisation as at 31 December</b>	<b>40,011</b>	<b>28,308</b>
<b>Theoretical values as at 31 December</b>	<b>25,966</b>	<b>22,855</b>

### EFFECT ON CONSOLIDATED INCOME STATEMENT

In CHF 1,000	2017	2016
Net profit as per financial statements	57,604	45,077
Amortisation of goodwill	-11,704	-8,690
<b>Theoretical net profit including goodwill amortisation</b>	<b>45,900</b>	<b>36,387</b>

### EFFECT ON CONSOLIDATED BALANCE SHEET

In CHF 1,000	31.12.2017	31.12.2016
<b>Equity</b>		
Equity as per financial statements	568,989	557,570
Theoretical value of goodwill	25,966	22,855
<b>Theoretical equity when reporting goodwill</b>	<b>594,955</b>	<b>580,426</b>

## 14. NON-CURRENT FINANCIAL ASSETS

In CHF 1,000	31.12.2017	31.12.2016
Financial assets of related parties	15,000	30,000
<b>Total financial assets of related parties</b>	<b>15,000</b>	<b>30,000</b>
Investments in associates <sup>1)</sup>	3,648	23
Other financial assets	934	3,034
<b>Total other financial assets</b>	<b>4,582</b>	<b>3,057</b>
<b>Total non-current financial assets</b>	<b>19,582</b>	<b>33,057</b>

- 1) Including goodwill arising from the acquisition in the amount of CHF 3.0 million (2016: —) which was recognised as part of the investment in associates.

On 9 October 2017, Investis Investments SA made a strategic investment by acquiring 50% of the shares in the Venture Capital firm Polytech Ventures Holding SA. Polytech Ventures evaluates industry needs in the field of digitalisation, develops disruptive business models on the basis of this evaluation, and supports innovative start-up companies.

Transactions involving related parties and companies are described in [Note 24](#).

## 15. OTHER LIABILITIES

In CHF 1,000	31.12.2017	31.12.2016
Liabilities from property accounts	23,773	30,103
Derivative financial instruments	-	6,634
Others	20,211	6,409
<b>Total other liabilities</b>	<b>43,984</b>	<b>43,147</b>

The liabilities from property accounts mainly comprise rental income that was received shortly before the balance sheet date but not yet forwarded to the owners of the relevant properties, or that was used for expenses relating to these properties.

## 16. FINANCIAL LIABILITIES

In CHF 1,000	31.12.2017	31.12.2016
Amortisation obligations on mortgages	160	322
Loans from third parties	5,000	5,000
Current mortgages	6,532	-
<b>Current financial liabilities</b>	<b>11,692</b>	<b>5,322</b>
Mortgages	9,665	225,250
Bonds	420,000	100,000
Loans from third parties	4,916	7,089
<b>Non-current financial liabilities</b>	<b>434,581</b>	<b>332,338</b>
<b>Total financial liabilities</b>	<b>446,273</b>	<b>337,660</b>

Mortgages and fixed advances that are not repaid within twelve months but which are renewed are reported under “Non-current financial liabilities” to reflect the economic reality. Mortgages due for repayment within the next twelve months are reported under short-term financial debt.

In 2017, a CHF 140 million bond maturing on 14 February 2019 was issued on 14 February 2017. The coupon is 0.25%. A further bond of CHF 180 million, maturing on 3 October 2022, with a coupon of 0.75%, was issued on 3 October 2017.

In 2016, a CHF 100 million bond maturing on 15 November 2021 was issued on 15 November 2016. The coupon is 0.55%.

As at the balance sheet date, the following bonds are outstanding:

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

Investment properties in the amount of CHF 245.3 million (31.12.2016: CHF 344.3 million) were pledged to secure mortgages.

Unused credit lines totalled CHF 201 million at 31 December 2017 (31.12.2016: CHF 136 million).



As at the balance sheet date, amounts falling due are as follows:

In CHF 1,000	31.12.2017	31.12.2016
Rollover mortgages	2,594	174,736
Due within the first year <sup>1)</sup>	6,532	39,905
Due within the second year	145,080	-
Due within the third year	2,151	8,780
Due within the fourth year	100,000	2,151
Due within the fifth year and beyond	180,000	100,000
<b>Total mortgages and bonds</b>	<b>436,357</b>	<b>325,572</b>
Loans from third parties <sup>2)</sup>	9,916	12,089
<b>Total other financial liabilities</b>	<b>9,916</b>	<b>12,089</b>
<b>Total financial liabilities</b>	<b>446,273</b>	<b>337,660</b>

1) Mortgages due within the first year are reported under non-current liabilities if extensions are planned.

2) Loans from third parties include as at 31 December 2017 unsettled purchase price consideration for the Privera-Group acquisition (September 2014) of CHF 5 million (31.12.2016: CHF 10 million), which is interest free and amortised annually by CHF 5 million. The remaining loans from third parties have no fixed maturity.

Interest maturity periods are as follows (composition until next interest rate adjustment):

In CHF 1,000	Interest rates as at 31.12.2017	31.12.2017	31.12.2016
Up to one year		16,357	225,572
Up to 2 years		140,000	-
Up to 3 years		-	-
Up to 4 years		100,000	-
Up to 5 years and beyond		180,000	100,000
<b>Total mortgages and bonds</b>	<b>0.25%–1.0%</b>	<b>436,357</b>	<b>325,572</b>
Loans from third parties		9,916	12,089
<b>Total other financial liabilities</b>	<b>0.0%–2.5%</b>	<b>9,916</b>	<b>12,089</b>
<b>Total financial liabilities</b>		<b>446,273</b>	<b>337,660</b>

The weighted average interest rate for all mortgages and bonds amounted to 0.7% (2016: 2.0%).

## 17. PROVISIONS

In CHF 1,000	2017	2016
Provisions as at 1 January	2,091	2,804
Changes in scope of consolidation	255	124
Increase	222	241
Use	-33	-245
Release	-372	-833
<b>Provisions as at 31 December</b>	<b>2,164</b>	<b>2,091</b>

The position includes mainly provisions for lease commitments (CHF 0.9 million, 2016: 1.1 million) and for pending legal cases and disputes (CHF 0.8 million, 2016: 0.7 million).

## 18. DEFERRED TAXES

In CHF 1,000	2017	2016
Deferred tax assets	56	204
Deferred tax liabilities	145,579	132,539
<b>Deferred tax liabilities as at 1 January (net)</b>	<b>145,523</b>	<b>132,335</b>
Changes in scope of consolidation	11,737	1,385
Changes recognised in the income statement	-2,364	11,802
<b>Deferred tax liabilities as at 31 December (net)</b>	<b>154,896</b>	<b>145,523</b>
Deferred tax assets	81	56
Deferred tax liabilities	154,977	145,579

Deferred taxes are calculated using the local applicable tax rates for each subsidiary (see Note 7).

## 19. EQUITY

As at 31 December 2017, the share capital consists of 12,800,000 registered shares at a par value of CHF 0.10 each and remains unchanged from 31 December 2016. The number of shares of Investis Investments SA (formerly Investis Holding SA) as at 1 January 2016 amounted to 1,000,000 shares at a par value of CHF 1.00 each (see also [Accounting Principles](#)).

On 4 July 2016, Investis Holding SA increased its share capital by CHF 148.4 million (par value CHF 0.3 million, reserves from capital contribution CHF 148.1 million). Costs related to the capital increase came to CHF 7.6 million, of which CHF 7.3 million was charged against capital reserves.

### CONDITIONAL SHARE CAPITAL

At the extraordinary shareholders' meeting of Investis Holding SA held on 17 June 2016, a resolution was passed to create conditional share capital, pursuant to which the share capital may be increased by a maximum amount of CHF 30,000 by issuing a maximum of 300,000 shares, under exclusion of shareholders' pre-emptive rights, in favour of directors, members of the Executive Board and employees of the Investis Group in the context of a management incentive plan.

### RETAINED EARNINGS

Retained earnings are only distributable on a limited basis:

- The retained earnings of Investis Holding SA pursuant to a resolution of the Annual General Meeting
- The retained earnings of subsidiaries in accordance with local fiscal and statutory requirements, first to the respective parent company

The non-distributable statutory and legal reserves amount to CHF 7.0 million (2016: 6.7 million).

### TREASURY SHARES

In 2017, Investis Holding SA acquired treasury shares for the first time.

	2017		2016	
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000
Net carrying amount as at 1 January	-	-	-	-
Purchase of treasury shares <sup>1)</sup>	20,000	-1,135	-	-
Net carrying amount as at 31 December	20,000	-1,135	-	-

1) In the year under review, Investis Holding SA acquired 20,000 (2016: -) registered treasury shares at an average price of CHF 56.75 (2016: CHF -)

## 20. ACQUISITIONS AND DISPOSALS OF CONSOLIDATED COMPANIES

In CHF 1,000	2017			2016	
			Acquisitions	Acquisitions	Disposals
	Hauswartprofis	Others	Total	Total	Total
Cash and cash equivalents	5,942	689	6,630	42	24
Trade and other current receivables	899	181	1,080	200	-
Investment properties and properties held for sale	-	90,750	90,750	19,923	-
Fixed assets	1,223	-	1,223	2	-
Financial assets	-	30	30	151	-
Trade and other current liabilities	-1,877	-2,052	-3,930	-145	-4
Non-current liabilities	-286	-24,454	-24,740	-11,009	-
<b>Net assets acquired/disposed of</b>	<b>5,900</b>	<b>65,144</b>	<b>71,044</b>	<b>9,164</b>	<b>20</b>
Goodwill (recognised in equity)	14,720	95	14,814	201	-
Purchase/selling price	20,619	65,239	85,858	9,364	20
Cash and cash equivalents acquired/disposed of	-5,942	-689	-6,630	-42	-24
Purchase price consideration for acquisitions in prior years			5,000	5,000	
<b>Cash outflow on acquisitions</b>			<b>84,228</b>	<b>14,322</b>	
<b>Cash outflow from disposals</b>					<b>-4</b>

### TRANSACTIONS IN 2017

On 9 January 2017, Investis Properties SA acquired 100% of the shares in the real estate company Alaïa Invest SA, Lens.

On 10 January 2017, Investis Investments SA acquired 100% of the shares in Wegra Holding AG, which holds 100% of the operating subsidiaries of "Hauswartprofis". The company provides services in the area of facility services and strengthens the respective activity offered by the Real Estate Services segment in the greater Zurich area.

On 10 March 2017, Investis Properties SA acquired 100% of the shares in the real estate company Domus Angelo Sàrl, Luxembourg.

On 1 May 2017, Investis Properties SA acquired 100% of the shares in the real estate company Jalu SA, Geneva.

On 7 July 2017, Investis Properties SA acquired 100% of the shares in the real estate company Parallax SA, Geneva.

On 14 July 2017, Investis Properties SA acquired 100% of the shares in the real estate company Casamar AG, Geneva.

On 15 September 2017, Valotel SA acquired 100% of the shares in the real estate company Hotel Investissements et Management SA, Fribourg.

On 21 November 2017, Investis Investments SA increased its shareholding in the proportional consolidated company La Foncière de la Dixence SA from 50% to 75%. Hence, the company is fully consolidated as of 31 December 2017.

## TRANSACTIONS IN 2016

On 1 January 2016, Synergie Services Facility Management SA acquired the business of Alex Sanitaire Chaufferie Sàrl and integrated it into the acquiring company.

In May 2016, 100% of the shares in Ooh networks Sàrl, Lens, were sold for CHF 0.02 million.

On 13 July 2016, Investis Properties SA acquired the real estate company Domus Flavia Investments Ltd, Luxembourg.

On 21 July 2016, Investis Investments SA signed and closed a share purchase agreement according to which it acquired 100% of the shares in Minas-Tirith SA, Wollerau, that owned the 49% minority stake in the already consolidated Investis Patrimoine SA.

On 31 October 2016, Investis Investments SA acquired 100% of the shares in Clim-Assistance SA in Geneva. The company provides services in the area of ventilation and climate technology and thus completes the service range offered by the Real Estate Services segment in the Geneva area.

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

In CHF 1,000	31.12.2017			31.12.2016		
	Purpose	Positive fair values	Negative fair values	Purpose	Positive fair values	Negative fair values
Interest rate swaps		-	-	Trading	-	-6,634
<b>Total derivative financial instruments</b>		-	-		-	-6,634
Of which for hedging of future cash flows		-	-		-	-
<b>Total recognised in the balance sheet</b>		-	-		-	-6,634

As at 31 December 2017 there are no interest rate swaps.

In 2016, the Group changed its financing strategy and in November refinanced the first part of its mortgage loans with a bond. As a consequence, the designated purpose of the interest rate swaps changed from hedging to trading. The negative fair value was therefore recognised in the balance sheet.

## 22. CONTINGENT ASSETS AND LIABILITIES

There are no material contingent assets or liabilities on the balance sheet date.

## 23. PLEDGED ASSETS AND OFF-BALANCE SHEET LEASE/RENTAL OBLIGATIONS

In CHF 1,000	31.12.2017	31.12.2016
<b>Pledged assets</b>		
Nominal charges on real estate property	245,260	344,338
Of which as security for own liabilities	16,357	225,572
<b>Off-balance sheet lease/rental obligations</b>		
1 – 2 years	11,504	12,973
3 – 5 years	10,659	11,093
over 5 years	1,460	2,162
<b>Total</b>	<b>23,623</b>	<b>26,227</b>

## 24. TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

Business transactions with related parties and companies are based on standard commercial contractual forms and conditions. All transactions are included in the 2017 and 2016 consolidated financial statements. There are loans and services from and to related parties and companies. The respective balances from financial receivables are reported separately in these financial statements (see [Note 14](#)).

Among the companies controlled by members of the Boards of Directors is the investment firm Be Capital SA, which is controlled by Stéphane Bonvin.

In January 2017, the company Be Capital SA sold its 25% shareholding in Alaïa Invest SA to Investis Properties SA for CHF 0.03 million.

In 2017, the residential properties “Chemin du Marquisat 15” in St-Sulpice and “Chamblandes; PPE” in Pully were sold for CHF 10.6 million to companies controlled by Stéphane Bonvin.

In 2017, as well as in the year 2016, the financial assets of related parties were repaid by CHF 15.0 million and amounted as at 31 December 2017 to CHF 15.0 million (2016: CHF 30.0 million). As at 31 December 2017 the trade receivables from Be Capital SA amounted to CHF 0.5 million (2016: CHF 0.6 million).

In May 2016, 100% of the shares in Ooh networks Sàrl, Lens, were sold to Be Capital SA at carrying value (CHF 0.02 million).

The consolidated income statement contains rental revenue amounting to CHF 1.6 million (2016: CHF 1.1 million) from the letting of three hotels in Fribourg, Rothrist and Sion to companies controlled by Stéphane Bonvin.

## 25. EVENTS AFTER THE BALANCE SHEET DATE

On 1 February 2018, Investis successfully completed its takeover, announced on 20 December 2017, of Société d'investissements immobiliers SII SA, a Geneva-based property company with an attractive portfolio of ten residential properties in Geneva. The acquisition price is CHF 108 million.

The Board of Directors approved the consolidated annual financial statements for publication on 19 March 2018. These statements are also subject to approval by the Annual General Meeting of Investis Holding SA on 20 April 2018.

No other events occurred between 31 December 2017 and the date of approval of the consolidated financial statements, which would require adjustments to the carrying amounts of the Group's assets and liabilities as at 31 December 2017 or disclosure in this section.



## 26. GROUP COMPANIES

26. GROUP COMPANIES

				31.12.2017	31.12.2016	
	Domicile	Original currency	Share capital in CHF 1,000	Ownership interest <sup>1)</sup>	Ownership interest <sup>1)</sup>	Footnote
Properties						
Investis Properties SA	Lens	CHF	1,650	100%	100%	C
Investis Patrimoine SA	Lens	CHF	100	100%	100%	C
Valotel SA	Lens	CHF	2,000	100%	100%	C
Domus Flavia Investments AG	Geneva	CHF	1,900	100%	100%	C
Serge Spaggiari SA	Perly-Certoux	CHF	200	100%	100%	C
Jalu SA	Lens	CHF	100	100%		C
Domus Angelo S.à.r.l.	Luxembourg (LUX)	EUR	200	100%		C
Parallax SA	Geneva	CHF	100	100%		C
Casamar AG	Geneva	CHF	100	100%		C
Alaïa Invest SA	Lens	CHF	100	100%		C
Hotel Investissements et Management AG	Fribourg	CHF	100	100%		C
Volki-Land AG	Volketswil	CHF	50	100%	100%	C
OR omiresidences Sàrl	Lens	CHF	20	100%	100%	C
Les Résidences Privées SA	Lens	CHF	100	100%	100%	C
La Foncière de la Dixence SA	Lens	CHF	200	75%	50%	C <sup>2)</sup>
Raffaele Investissement SA	Lens	CHF	100	50%	50%	Q
Real Estate Services						
Privera AG	Muri bei Bern	CHF	4,000	100%	100%	C
Régie du Rhône SA	Lancy	CHF	3,000	100%	100%	C
Régie du Rhône Crans-Montana SA	Lens	CHF	100	100%	100%	C
Hauswartprofis AG	Mägenwil	CHF	200	100%		C
WEGRA Holding AG	Auenstein	CHF	100	100%		C
Hauswartprofis Mägenwil AG	Mägenwil	CHF	200	100%		C
Hauswartprofis ZH AG	Dübendorf	CHF	100	100%		C
Hauswartprofis Baar GmbH	Baar	CHF	20	100%		C
Treos AG	Volketswil	CHF	1,000	100%	100%	C
Synergie Services Facility Management SA	Lancy	CHF	100	100%	100%	C
AGD Renovationen AG	Neuenhof	CHF	500	53%	53%	C
Chauffage-Assistance SA	Geneva	CHF	100	100%	100%	C
Clim-Assistance SA	Geneva	CHF	100	100%	100%	C
SoRenova SA	Lens	CHF	100	100%	100%	C
Insite Management SA	Echandens	CHF	120	42%	42%	E
Corporate						
Investis Holding SA	Zurich	CHF	1,280	n.a.	n.a.	C
Investis Investments SA	Lens	CHF	1,000	100%	100%	C*
Investis Management SA	Lens	CHF	100	100%	100%	C
Investis SA	Lens	CHF	100	100%	100%	C
Minas-Tirith SA	Wollerau	CHF	100	100%	100%	C
Transimo SA	Fribourg	CHF	100	100%	100%	C
Polytech Ventures Holding SA	Ecublens	CHF	143	50%		E

C) Consolidated as at 31 December 2017

Q) Joint venture, quota consolidated as at 31 December 2017

E) Included in the consolidated financial statements using the equity method

\*) Investment held directly by Investis Holding SA

1) Ownership interest is equal to voting rights

2) Until 21 November 2017 quota consolidated

## REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS



### ***Report of the statutory auditor to the General Meeting of Investis Holding SA Zurich***

#### ***Report on the audit of the consolidated financial statements***

##### ***Opinion***

We have audited the consolidated financial statements of Investis Holding SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2017 and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows 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 69 to 100 and 109 to 115) give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER, article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange and comply with Swiss law.

##### ***Basis for opinion***

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

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

##### ***Our audit approach***

###### **Overview**



Overall Group materiality: CHF 4'400'000

We conducted audits at 22 Group Companies. The ordinary audits cover between 80% and 95% of the most significant balance sheet and income statement items; the limited audits cover between 5% and 15% of the same.

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

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### **Audit scope**

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

The audit strategy for the consolidated financial statements has been determined considering the work of component auditors from the PwC network. The audit of the consolidation process as well as the presentation and disclosure of the consolidated financial statements has been performed by us as group auditor. From 36 reporting units, we identified 6 reporting units (components) to be the largest contributors to the consolidated profit and equity. These reporting units were subject to a full scope audit by local PwC network firms. Regarding the work of component auditors, we have assured involvement as group auditors to ensure that we obtained adequate audit evidence from the work of the component auditors over the financial statements of the components as a basis for the opinion on the consolidated financial statements. Our involvement covered reviews of the component reportings, conference calls during interim and year-end audits and communication of identified risks and materiality levels determined at group level.

### **Materiality**

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

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

<i>Overall Group materiality</i>	CHF 4'400'000
<i>How we determined it</i>	0.8% of equity
<i>Rationale for the materiality benchmark applied</i>	We chose equity as the benchmark because, in our view, it is an industry benchmark for materiality considerations in the real estate business.

We agreed with the Audit Committee that we would report to them misstatements above CHF 440'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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

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



## Valuation of investment properties

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>As of 31 December 2017, investment properties amount to around CHF 1'085 million (87.6% of total assets) and represent a significant balance sheet item.</p> <p>Investment properties are valued at fair value in accordance with Swiss GAAP FER 18.</p> <p>The fair value is highly dependent on the underlying assumptions. The Board of Directors and the Executive Board have to apply judgement. We identified the following risks in relation to the appropriateness of the valuation:</p> <ul style="list-style-type: none"> <li>• The fair values are determined by an independent external property appraiser in accordance with the directive of SIX Swiss Exchange. Any dependence of the property appraiser on Investis Holding SA would cast doubt on the determined fair values.</li> <li>• The use of valuation methods and approaches not commonly used in the industry that do not appropriately account for the effective use of the properties would considerably limit the valuation results.</li> <li>• The input parameters used by the valuation approach, such as the discount rate, vacancy rate, target rent, operating/maintenance and repair costs, have a significant impact on the outcome of the valuation. Determining these parameters involves significant judgement, which could lead to significant variations in the calculation of the fair value that do not correspond to what is observed on the market.</li> </ul> <p><i>Please refer to note 11 to the consolidated financial statements.</i></p>	<p>We looked at the contract with the independent external property appraiser and discussed the contractual relationship with Management of Investis Holding SA. We examined the basic information necessary for the individual valuations, as follows:</p> <ul style="list-style-type: none"> <li>• On a sample basis, we reconciled changes in the property portfolio to the underlying contracts as well as to the land register extract.</li> <li>• We examined rental income by means of analytical audit procedures and an inspection of a sample of underlying rental agreements at the Group's own property managers.</li> </ul> <p>With regard to the valuation of properties by the external appraiser, PwC Real Estate Advisory, acting as the auditor's expert, performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Assessment of the independence and competence of the external property appraiser (Wüest Partner AG) as a business and for the persons responsible for the valuation reports. Examination of the valuation reports in terms of compliance with the terms of the mandate.</li> <li>• Examination and assessment on a sample basis of the appropriateness of the applied valuation methods and valuation approaches (mainly discounted cash flow methods) along with the validation of the basic calculation steps.</li> <li>• Examination of the input parameters used. Comparison of the target rent and the operating/maintenance and repair costs parameters, which have no observable market values, with external benchmarks. Assessment of the assumptions regarding the discount rate using our expert's empirical values for comparable properties. An examination was performed of whether the input parameters used were within an acceptable and industry-consistent range of values.</li> </ul> <p>We discussed with Management the audit results of PwC Real Estate Advisory and the significant changes in valuations as well as the underlying assumptions for the valuations.</p> <p>Based on our audit procedures, with regard to the independence and qualification of the external property appraiser, the applied valuation methods and the input parameters used for the fair value valuation of the investment properties, we obtained adequate assurance of the appropriateness of the valuation of investment properties.</p>



### ***Responsibilities of the Board of Directors for the consolidated financial statements***

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER, article 17 of the Directive on 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 and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

### ***Report on other legal and regulatory requirements***

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

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

PricewaterhouseCoopers AG

Oliver Kuntze  
Audit expert  
Auditor in charge

Marc Zurflüh  
Audit expert

Bern, 19 March 2018

# 5-YEAR-REVIEW

5-Year-Review Investis Group

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## 5-YEAR REVIEW INVESTIS GROUP

Operating results		2017	2016	2015	2014	2013
<b>Properties</b>						
Revenue	CHF 1,000	47,492	41,852	40,760	40,884	40,081
EBITDA before revaluations/disposals	CHF 1,000	32,394	27,293	25,011	26,802	26,155
EBIT	CHF 1,000	58,039	76,679	56,906	37,331	43,709
<b>Real Estate Services</b>						
Revenue	CHF 1,000	147,637	136,094	131,256	61,100	22,737
<i>of which property management</i>		53%	56%	55%	58%	83%
<i>of which facility services</i>		46%	32%	31%	25%	17%
EBIT	CHF 1,000	7,839	3,892	6,201	4,899	530
EBIT margin		5.3%	2.9%	4.7%	8.0%	2.3%
<b>Investis Group</b>						
Revenue	CHF 1,000	189,987	161,916	157,371	91,796	60,217
EBITDA before revaluations/disposals	CHF 1,000	37,311	28,695	29,886	31,381	24,479
EBIT	CHF 1,000	60,871	76,369	60,208	41,199	41,689
EBIT margin		32.0%	47.2%	38.3%	44.9%	69.2%
Net profit	CHF 1,000	57,604	45,077	44,569	27,768	26,880
Net profit without revaluation effects	CHF 1,000	26,789	9,419	18,187	19,882	14,265
Funds From Operations (FFO)	CHF 1,000	29,460	17,844	20,483	22,598	13,180
<b>Financial position</b>		31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Cash and cash equivalents	CHF 1,000	50,539	52,940	47,983	53,344	45,652
Residential investment properties	CHF 1,000	940,629	841,961	745,866	723,161	732,656
Commercial investment properties	CHF 1,000	127,784	113,129	81,045	63,575	59,242
Investment properties under construction	CHF 1,000	14,826	64	3,507	1,025	0
Undeveloped plots of land	CHF 1,000	1,673	7,328	12,235	12,085	11,195
Properties held for sale	CHF 1,000	35,805	18,141	14,116	9,805	6,774
Total Property portfolio	CHF 1,000	1,120,717	980,622	856,769	809,651	809,867
Total assets	CHF 1,000	1,238,222	1,099,750	984,451	935,085	888,062
Total shareholders equity	CHF 1,000	568,989	557,570	427,411	393,728	415,113
Equity ratio		46.0%	50.7%	43.4%	42.1%	46.7%
Mortgages and bonds	CHF 1,000	436,357	325,572	336,105	310,176	289,709
Gross LTV		38.9%	33.2%	39.2%	38.3%	35.8%
Deferred tax liabilities	CHF 1,000	154,977	145,579	132,539	126,374	123,375
Average discount rate		3.62%	3.71%	4.04%		
Annualised full occupancy property rent	CHF million	51.5	46.9	41.2		
Annualised property rent	CHF million	49.6	45.2	39.8		
Vacancy rate		3.5%	3.7%	3.3%		
<b>Number of employees</b>		2017	2016	2015	2014	2013
Headcount (as at period end)		1,420	1,146	1,082	1,046	220
FTE (full-time equivalent, average over the period)		1,143	902	855	364	185

Data per share		31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
<b>Share ratios</b>						
Share capital	CHF 1,000	1,280	1,280	1,000	1,000	1,000
Number of registered shares issued/outstanding		12,800,000	12,800,000	10,000,000	10,000,000	10,000,000
Nominal value per share	CHF	0.10	0.10	0.10	0.10	0.10
<b>Share data</b>						
NAV per outstanding share	CHF	44.38	43.48	39.69	36.54	38.70
NAV per outstanding share not including deferred tax with regard to investment properties	CHF	55.91	54.85	52.93	49.17	51.04
Earnings per share (basic/diluted)	CHF	4.49	3.88	4.16	2.64	2.49
Gross dividend <sup>2)</sup>	CHF	2.35	2.35			
Dividend yield <sup>2)</sup>		3.8%	4.1%			
Payout ratio <sup>2)</sup>		52.4%	68.0%			
		2017	2016	2015	2014	2013
<b>Share price</b>						
Share price – high	CHF	64.95	61.95			
Share price – low	CHF	55.40	53.00			
Share price at end of period	CHF	62.65	57.00			
Average number of shares traded per day		5,562	9,094			
Market capitalisation at end of period	CHF 1,000	801,920	729,600			

- 1) In order to enhance comparability, the number of shares as of 31.12.2015, 31.12.2014 and 31.12.2013 reflect the number of shares of Investis Holding SA when it was incorporated on 7 June 2016. The number of shares of Investis Investments SA (formerly Investis Holding SA) amounted to 1,000,000 shares.
- 2) Intended distribution per share 2017 in accordance with the proposal to the Annual General Meeting of 20 April 2018.



# PROPERTY PORTFOLIO

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## INFORMATION ON INVESTMENT CATEGORIES AS AT 31 DECEMBER 2017

In CHF million	Fair value	Annualised full occupancy property rent <sup>1)</sup>	Vacancy rate in %
<b>Residential properties</b>	<b>940.6</b>	<b>44.2</b>	<b>3.1%</b>
of which in canton of Geneva	634.7	29.6	2.8%
of which in canton of Vaud	271.6	13.2	1.2%
of which in other cantons	34.4	1.4	27.4%
<b>Commercial properties</b>	<b>127.8</b>	<b>7.3</b>	<b>6.0%</b>
of which in canton of Geneva	80.8	4.7	7.9%
of which in canton of Vaud	5.8	0.4	0.0%
of which in other cantons	41.2	2.2	3.0%
<b>Properties under construction</b>	<b>14.8</b>		
of which in canton of Geneva	0.0		
of which in canton of Vaud	10.5		
of which in other cantons	4.3		
<b>Undeveloped plots of land</b>	<b>1.7</b>		
of which in canton of Geneva	0.0		
of which in canton of Vaud	0.0		
of which in other cantons	1.7		
<b>Total investment properties</b>	<b>1,084.9</b>	<b>51.5</b>	<b>3.5%</b>
<b>Properties held for sale</b>	<b>35.8</b>		
of which in canton of Geneva	0.0		
of which in canton of Vaud	0.3		
of which in other cantons	35.5		
<b>Total properties portfolio</b>	<b>1,120.7</b>		

1) Including rental income from Group companies

## PROPERTY PORTFOLIO AS AT 31 DECEMBER 2017

Property ID	Canton	Municipality	Property	Main use	Market value (CHFm)	Annualised full occupancy property rent (CHFm)	Net annualised property rent (CHFm)	Occupancy rate (%)	Site area (sqm)	Ownership Type <sup>1)</sup>	Ownership %	Year of construction
101.12010001	GE	Geneva	Rue du Môle 5	Residential	13.1	0.6	0.5	97.2%	277	S	100%	1957
101.12010002	GE	Geneva	Rue de la Servette 23	Residential	12.8	0.7	0.7	100.0%	421	S	100%	1967
101.12010003	GE	Geneva	Rue Charles Cusin 10	Residential	12.7	0.6	0.6	91.1%	279	S	100%	1970
101.12020001	GE	Geneva	Rue des Asters 8	Residential	5.6	0.3	0.3	100.0%	302	S	100%	1910
101.12020002	GE	Geneva	Rue Antoine-Carteret 5 – Rue du Colombier 11–13	Residential	22.3	0.9	0.9	99.8%	1,242	S	100%	1956
101.12020003	GE	Geneva	Rue de Montbrillant 52	Residential	8.9	0.4	0.4	100.0%	263	S	100%	1959
101.12020004	GE	Geneva	Rue du Grand-Pré 39	Residential	10.9	0.5	0.5	100.0%	393	S	100%	1962
101.12030001	GE	Geneva	Rue Lamartine 23	Residential	26.5	1.2	1.1	97.4%	2,230	S	100%	1964
101.12030002	GE	Geneva	Rue Lamartine 13–15 AB	Residential	26.7	1.1	1.1	100.0%	1,803	S	100%	1955
101.12030003	GE	Geneva	Rue de Lyon 65	Residential	10.5	0.5	0.5	100.0%	601	S	100%	1957
101.12030004	GE	Geneva	Avenue d'Aire 47	Residential	7.9	0.4	0.4	100.0%	233	S	100%	1950
101.12030005	GE	Geneva	Rue des Délices 21 bis	Residential	12.0	0.5	0.5	100.0%	285	S	100%	1935
101.12030006	GE	Geneva	Rue Liotard 69–71	Residential	13.3	0.7	0.7	100.0%	1,496	S	100%	1968
101.12030007	GE	Geneva	Avenue de Wendt 3–5	Residential	21.8	1.1	1.1	93.4%	939	S	100%	1950
101.12050001	GE	Geneva	Avenue Henri-Dunant 20 – Rue Guillaume de Marcossay 21	Residential	21.2	1.0	1.0	99.7%	1,165	S	100%	1965
101.12050002	GE	Geneva	Boulevard St-Georges 71 – Rue des Rois 12	Residential	13.8	0.6	0.6	95.5%	371	S	100%	1971
101.12050003	GE	Geneva	Rue du Vieux-Billard 12	Residential	6.5	0.3	0.3	93.7%	385	S	100%	1957
101.12050004	GE	Geneva	Boulevard de la Cluse 35	Residential	8.1	0.6	0.4	77.7%	188	S	100%	1961
101.12050005	GE	Geneva	Rue Goetz-Monin 24	Residential	23.3	1.3	1.1	86.4%	728	S	100%	1947
101.12050006	GE	Geneva	Rue de Carouge 72–74	Residential	17.9	0.8	0.8	97.7%	904	S	100%	1970
101.12070001	GE	Geneva	Rue de la Mairie 6	Residential	11.2	0.6	0.6	100.0%	318	S	100%	1930
101.12070002	GE	Geneva	Rue du Nant 30	Residential	14.9	0.7	0.7	100.0%	567	S	100%	1960
101.12130001	GE	Onex	Avenue Bois-de-la-Chapelle 101	Residential	14.2	0.7	0.7	99.4%	320	S	100%	1970
101.12160001	GE	Geneva	Avenue Louis-Casaï 80	Residential	8.4	0.6	0.5	75.9%	1,372	S	100%	1973
101.12170001	GE	Meyrin	Avenue François-Besson 16	Residential	8.2	0.4	0.4	100.0%	345	S	100%	1967
101.12170002	GE	Meyrin	Chemin du Grand-Puits 64–66	Residential	8.6	0.4	0.4	100.0%	499	S	100%	1974
101.12170003	GE	Meyrin	Avenue François-Besson 1–3	Residential	20.4	0.9	0.9	99.0%	579	S	100%	1973
101.12170004	GE	Meyrin	Avenue de Vaudagne 29–31	Residential	25.2	1.3	1.3	100.0%	1,020	S	100%	1961
101.12170005	GE	Meyrin	Rue des Lattes 25–27	Residential	7.5	0.4	0.4	100.0%	425	S	100%	1975
101.12170006	GE	Meyrin	Rue des Lattes 63	Residential	9.9	0.5	0.5	100.0%	213	S	100%	1975
101.12170007	GE	Meyrin	Rue de la Prulay 64–66	Residential	19.9	0.9	0.9	99.7%	3,393	S	100%	1962
101.12170008	GE	Geneva	Route de Meyrin 283–285	Residential	13.1	0.6	0.6	99.3%	2,642	S	100%	1994
101.12170009	GE	Meyrin	Avenue Vaudagne 78–80–82	Residential	16.9	0.5	0.5	96.8%	669	C (777/1000)	100%	1964
101.12170010	GE	Meyrin	Avenue Mategnin 75–77	Residential	15.3	0.4	0.4	100.0%	450	C (726/1000)	100%	1968
101.12170011	GE	Meyrin	Chemin du Vieux-Bureau 98	Residential	8.5	0.4	0.4	100.0%	333	S	100%	1970
101.12180001	GE	Grand-Saconnex	L'Ancienne-Route 77A	Residential	7.5	0.4	0.4	100.0%	2,452	S	100%	1962
101.12180002	GE	Grand-Saconnex	Route de Ferney 208A–B	Residential	18.1	0.8	0.8	100.0%	2,910	S	100%	1959
101.12190001	GE	Meyrin	Chemin de l'Ecu 15–17A	Residential	14.7	0.6	0.6	99.0%	1,043	S	100%	1960
101.12200001	GE	Geneva	Avenue Louis-Casaï 43	Residential	10.4	0.5	0.5	100.0%	1,035	S	100%	1963
101.12200002	GE	Geneva	Avenue Louis-Casaï 37	Residential	11.7	0.5	0.5	100.0%	1,093	S	100%	1963
101.12270001	GE	Carouge	Rue de la Fontenette 11	Residential	10.1	0.5	0.5	100.0%	427	S	100%	1963
101.12270002	GE	Geneva	Route des Acacias 20 – Rue des Ronzades 1–3	Residential	26.9	1.4	1.3	97.5%	1,418	S	100%	1958
101.12270002	GE	Geneva	Rue Gustave-Revilliod 14	Residential	8.2	0.4	0.4	97.6%	439	S	100%	1958
101.12270003	GE	Carouge	Rue de la Gabelle 3	Residential	7.0	0.4	0.3	93.7%	482	S	100%	1930
101.12270004	GE	Geneva	Route des Acacias 28	Residential	9.0	0.4	0.4	100.0%	570	S	100%	1959
101.12270005	GE	Geneva	Rue Simon Durand	Residential	5.7	0.3	0.3	95.6%	306	S	100%	1960
101.12900001	GE	Versoir	Avenue Théodore-Vernes 20–22	Residential	7.4	0.3	0.3	94.3%	512	S	100%	1959
102.12020005	GE	Geneva	Rue du Valais 7–11	Commercial	21.6	1.2	1.1	92.7%	1,032	S	100%	1919
102.12130002	GE	Petit-Lancy	Chemin des Olliouettes 10	Commercial	24.9	1.0	1.0	100.0%	4,247	S	100%	2010
102.12250001	GE	Chêne-Bourg	Rue Peillonex 39	Commercial	18.9	1.4	1.1	80.0%	2,266	S	100%	1960
102.12580001	GE	Perly	Route de Saint-Julien 253–255	Commercial	15.4	1.1	1.1	99.9%	9,099	S	100%	1982

1) Under construction  
2) S = Sole ownership, C = Condominium  
3) Under Investis' ownership

Year of construction	Full renovation <sup>3)</sup>	Partial renovation <sup>4)</sup>	Discount rate	Register of polluted sites	Compulsory surveillance	Obligatory remediation	Lettable area (% sqm)							Total (sqm)	Total number of parking units
							Residential	Office	Retail	Trade/ Industry	Warehousing/ Archiving	Special use	Other		
-	2012/2014	2016	3.4%	No	-	-	85%	-	15%	-	-	-	-	1,518	-
-	-	-	3.6%	No	-	-	61%	16%	16%	-	7%	-	-	2,149	-
-	-	-	3.6%	No	-	-	77%	-	18%	-	5%	-	-	1,256	-
-	-	2009	3.4%	No	-	-	83%	-	8%	-	9%	-	-	1,115	-
-	2011/2013	-	3.4%	No	-	-	98%	-	-	-	2%	-	-	2,779	26
-	-	-	3.4%	No	-	-	87%	13%	-	-	-	-	-	1,372	-
-	-	2005	3.4%	No	-	-	87%	-	2%	-	11%	-	-	2,043	-
-	2009	2012/2017	3.6%	No	-	-	70%	6%	-	24%	-	-	-	3,677	90
1960	2012/2016	-	3.4%	No	-	-	100%	-	-	-	-	-	-	3,551	-
-	2006	-	3.4%	No	-	-	100%	-	-	-	-	-	-	1,321	8
-	-	2016	3.4%	No	-	-	100%	-	-	-	-	-	-	1,028	-
-	-	2011/2017	3.4%	No	-	-	100%	-	-	-	-	-	-	1,744	-
-	-	2008	3.4%	No	-	-	99%	-	-	-	1%	-	-	2,019	18
-	2008/2010	2016	3.4%	No	-	-	83%	-	14%	-	3%	-	-	3,006	-
-	2006/2008	2009	3.6%	No	-	-	65%	-	-	17%	18%	-	-	3,560	3
-	-	2009	3.6%	No	-	-	67%	14%	6%	-	7%	6%	-	2,022	-
-	-	2017	3.4%	No	-	-	100%	-	-	-	-	-	-	932	-
-	2009	2012	3.4%	No	-	-	78%	-	13%	-	9%	-	-	915	-
-	2007/2008	2010/2011	3.7%	No	-	-	61%	-	25%	-	14%	-	-	2,313	-
-	-	-	3.4%	No	-	-	69%	-	6%	25%	-	-	-	3,487	-
-	2009	2011	3.4%	No	-	-	85%	-	15%	-	-	-	-	1,422	-
-	2013/2015	-	3.4%	No	-	-	95%	-	5%	-	-	-	-	2,024	-
1982	-	2009	3.5%	No	-	-	98%	-	-	-	2%	-	-	2,525	31
-	-	2013	4.0%	No	-	-	55%	-	28%	-	17%	-	-	1,389	10
-	2015/2016	-	3.5%	No	-	-	100%	-	-	-	-	-	-	1,365	8
-	-	-	3.5%	No	-	-	100%	-	-	-	-	-	-	1,608	21
-	2014/2015	2016	3.5%	No	-	-	91%	4%	-	-	5%	-	-	3,294	35
-	2004/2006	2008	3.5%	No	-	-	92%	6%	-	-	2%	-	-	4,465	66
-	-	2016	3.5%	No	-	-	94%	-	-	-	6%	-	-	1,343	16
-	-	-	3.5%	No	-	-	100%	-	-	-	-	-	-	1,745	22
-	2011/2012	-	3.5%	No	-	-	97%	-	-	-	3%	-	-	3,012	45
-	-	-	3.5%	No	-	-	93%	-	-	-	7%	-	-	2,422	33
-	-	2015	3.6%	No	-	-	100%	-	-	-	-	-	-	2,457	-
-	-	2012	3.6%	No	-	-	100%	-	-	-	-	-	-	2,301	-
-	-	-	3.5%	No	-	-	98%	-	-	-	2%	-	-	1,521	19
-	2015/2016	2006	3.5%	No	-	-	66%	-	-	34%	-	-	-	1,159	18
-	2015/2017	-	3.5%	No	-	-	93%	5%	-	-	2%	-	-	2,634	56
-	2012/2013	2007	3.5%	No	-	-	100%	-	-	-	-	-	-	2,323	-
-	2017	2006	3.5%	No	-	-	92%	-	8%	-	-	-	-	1,683	29
-	2015/2016	-	3.5%	No	-	-	91%	-	9%	-	-	-	-	1,688	27
-	-	2016	3.5%	No	-	-	100%	-	-	-	-	-	-	1,590	5
-	2006	-	3.7%	No	-	-	74%	-	-	24%	2%	-	-	4,224	10
-	2006	-	3.7%	No	-	-	65%	-	-	21%	14%	-	-	1,485	-
-	-	2006	3.5%	No	-	-	100%	-	-	-	-	-	-	1,112	-
-	-	2005	3.5%	No	-	-	100%	-	-	-	-	-	-	1,480	7
-	-	-	3.6%	No	-	-	44%	-	37%	-	19%	-	-	776	-
-	2017	2006	3.5%	No	-	-	98%	-	-	-	2%	-	-	1,061	4
-	-	-	4.1%	No	-	-	-	86%	4%	-	10%	-	-	4,639	-
-	-	-	3.9%	No	-	-	-	86%	-	-	14%	-	-	2,570	29
-	-	-	4.1%	No	-	-	2%	39%	-	42%	17%	-	-	9,357	-
-	-	-	4.6%	No	-	-	-	-	-	100%	-	-	-	6,018	141

## PROPERTY PORTFOLIO AS AT 31 DECEMBER 2017

Property ID	Canton	Municipality	Property	Main use	Market value (CHFm)	Annualised full occupancy property rent (CHFm)	Net annualised property rent (CHFm)	Occupancy rate (%)	Site area (sqm)	Ownership Type <sup>2)</sup>	Ownership %	Year of construction
201.10040002	VD	Lausanne	Rue du Maupas 61–67	Residential	19.6	0.9	0.9	100.0%	2,471	S	100%	1955
201.10040003	VD	Lausanne	Avenue de Vinet 39	Residential	7.3	0.3	0.3	100.0%	597	S	100%	1953
201.10040004	VD	Lausanne	Avenue d'Echallens 87–89	Residential	1.7	0.1	0.1	93.4%	535	S	100%	1899
201.10050001	VD	Lausanne	Chemin de Montmeillan 19–21	Residential	9.1	0.4	0.4	93.6%	1,158	S	100%	1966
201.10050002	VD	Lausanne	Place du Vallon 1	Residential	7.8	0.4	0.4	100.0%	515	S	100%	1955
201.10060001	VD	Lausanne	Chemin du Closelet 4–6–8–10	Residential	21.5	1.0	1.0	99.4%	1,747	S	100%	1895
201.10080001	VD	Prilly	Rue de la Combette 22–24	Residential	11.0	0.6	0.6	100.0%	2,840	S	100%	1963
201.10100001	VD	Lausanne	Chemin des Lys 14	Residential	6.7	0.3	0.3	100.0%	958	S	100%	1962
201.10180001	VD	Lausanne	Avenue des Oiseaux 15–17	Residential	15.1	0.7	0.7	100.0%	1,030	S	100%	1960
201.10180002	VD	Lausanne	Route Aloys Fauquez 122–124	Residential	16.7	0.8	0.8	96.6%	1,447	S	100%	1968
201.10180003	VD	Lausanne	Route Aloys Fauquez 60	Residential	5.9	0.3	0.3	95.8%	786	S	100%	1962
201.10200001	VD	Renens	Avenue du Censuy 18–26	Residential	26.9	1.3	1.3	100.0%	6,321	S	100%	1972
201.10200002	VD	Renens	Avenue de Florissant 30–32	Residential	16.4	0.9	0.8	96.9%	9,259	S	100%	1962
201.10200003	VD	Renens	Avenue de Florissant 34–36	Residential	38.1	1.8	1.8	98.7%	4,784	S	100%	1960
201.10200004	VD	Renens	Rue Neuve 10–14	Residential	5.1	0.3	0.3	100.0%	574	S	100%	1900
201.10220001	VD	Chavannes-Renens	Avenue du Tir-Fédéral 79–81	Residential	18.8	0.9	0.9	99.6%	2,898	S	100%	1962
201.10300001	VD	Bussigny	Chemin de Roséaz 8	Residential	6.3	0.3	0.3	100.0%	1,463	S	100%	1966
201.10530001	VD	Cugy	Chemin des Petits-Esserts 1	Residential	3.0	0.2	0.2	100.0%	1,515	S	100%	1965
201.10810001	VD	Montpréveyres	Chemin de la Rochette 4	Residential	2.7	0.2	0.2	98.3%	3,758	S	100%	1990
201.11960001	VD	Gland	Rue du Jura 15	Residential	6.8	0.3	0.3	100.0%	1,787	S	100%	1969
201.12600001	VD	Nyon	Rue Juste-Olivier 13	Residential	6.2	0.3	0.3	93.9%	277	S	100%	1910
201.14000001	VD	Yverdon-les-Bains	Avenue Kiener 1–3	Residential	9.0	0.5	0.5	100.0%	3,900	S	100%	1991
201.15100001	VD	Moudon	Avenue de Bussy 22–24	Residential	4.2	0.2	0.2	99.6%	2,323	S	100%	1960
201.18000001	VD	Bussigny	Rue du Centre 7	Residential	3.2	0.2	0.2	100.0%	143	S	100%	1920
201.18800001	VD	Bex	Chemin des Valentines 25	Residential	2.5	0.1	0.1	91.1%	5,491	S	100%	1880
202.10330001	VD	Cheseaux-sur-Lausanne	Chemin de la Chapelle 2	Commercial	5.8	0.4	0.4	100.0%	5,358	S	100%	1961
301.19780001	VS	Lens	Route de Crans 87	Residential <sup>1)</sup>	2.3	0.0	0.0	-	3,959	S	100%	1985
301.39630001	VS	Crans-Montana	Chalet Beau-Bois aux Briesses	Residential	4.0	0.1	0.1	100.0%	916	S	100%	2012
301.39630003	VS	Crans-Montana	Route de Grinchon 1	Residential	10.2	0.3	0.3	97.7%	2,340	S	100%	2015
301.39710001	VS	Crans-Montana	Route de Pliany 16–18	Residential	6.9	0.4	0.2	60.7%	5,150	S	100%	2016
301.39710002	VS	Crans-Montana	Route de Vermala 43–45	Residential	5.6	0.4	0.2	44.8%	2,105	S	100%	1965
301.39750001	VS	Crans-Montana	Chemin de Praty 4	Residential	5.3	0.2	0.2	95.1%	1,678	S	100%	1950
302.17000099	FR	Fribourg	Grand-Places 14	Commercial	12.7	0.8	0.8	100.0%	8,170	S	100%	1974
302.19500001	VS	Sion	Chemin Lambien	Commercial	5.1	0.2	0.2	100.0%	45,883	C (72/1000)	100%	2012
302.19500099	VS	Sion	Avenue du Grand-Champsec 21	Commercial	7.9	0.4	0.4	100.0%	2,062	S	100%	1980
302.39630001	VS	Lens	Rue du Prado 19	Commercial	1.7	0.1	0.1	100.0%	1,317	C (55/1000)	100%	2013
302.39630002	VS	Lens	Grand Place 12/14	Commercial	6.0	0.2	0.2	70.5%	1,415	C (215/1000)	100%	1972
302.48520099	AG	Rothrist	Helblingstrasse 9	Commercial	7.8	0.4	0.4	100.0%	4,270	S	100%	1989
Total				Total	1,068.4	51.5	49.6	96.5%	200,181			

- 1) Under construction  
2) S = Sole ownership, C = Condominium  
3) Under Investis' ownership

Year of construction	Full renovation <sup>3)</sup>	Partial renovation <sup>4)</sup>	Discount rate	Register of polluted sites	Compulsory surveillance	Obligatory remediation	Lettable area (% sqm)							Total (sqm)	Total number of parking units
							Residential	Office	Retail	Trade/ Industry	Warehousing/ Archiving	Special use	Other		
1956	2009	2016	3.5%	No	-	-	91%	-	-	4%	5%	-	-	3,124	24
-	2005	2005	3.5%	No	-	-	76%	-	24%	-	-	-	-	1,125	5
-	-	-	3.5%	No	-	-	100%	-	-	-	-	-	-	745	-
-	2009	-	3.6%	No	-	-	85%	-	-	15%	-	-	-	1,661	3
-	-	2,017	3.6%	No	-	-	96%	-	-	4%	-	-	-	1,515	4
-	2006	-	3.5%	Yes	No	No	91%	-	7%	-	2%	-	-	2,971	34
-	-	-	3.6%	No	-	-	100%	-	-	-	-	-	-	2,499	15
-	-	2012	3.5%	No	-	-	100%	-	-	-	-	-	-	1,259	8
-	2004/2005	2005	3.5%	No	-	-	99%	-	-	-	1%	-	-	2,136	16
1969	-	-	3.5%	No	-	-	84%	6%	-	7%	3%	-	-	1,935	6
-	-	-	3.6%	No	-	-	54%	-	46%	-	-	-	-	1,155	8
-	2008/2009	2009	3.6%	No	-	-	91%	-	6%	-	3%	-	-	6,021	78
-	-	2009	3.6%	No	-	-	90%	-	10%	-	0%	-	-	3,595	70
-	2004	2009/2017	3.6%	No	-	-	99%	-	-	-	1%	-	-	7,811	17
-	-	-	3.8%	Yes	No	No	62%	6%	29%	-	2%	-	-	1,027	-
-	2009/2010	2004	3.6%	No	-	-	100%	-	-	-	-	-	-	3,442	44
-	2005/2008	2008	3.6%	No	-	-	100%	-	-	-	-	-	-	984	16
-	-	-	3.6%	No	-	-	100%	-	-	-	-	-	-	706	16
-	-	2005	4.1%	No	-	-	67%	-	-	-	33%	-	-	946	11
-	-	2,017	3.6%	No	-	-	100%	-	-	-	-	-	-	992	17
-	-	-	3.6%	No	-	-	100%	-	-	-	-	-	-	1,200	5
-	-	-	3.6%	No	-	-	100%	-	-	-	-	-	-	2,080	35
-	-	-	3.8%	No	-	-	100%	-	-	-	-	-	-	640	14
-	2006/2007	2006	3.7%	No	-	-	76%	-	17%	-	7%	-	-	575	-
-	-	-	3.9%	No	-	-	100%	-	-	-	-	-	-	1,030	8
-	-	-	5.0%	No	-	-	5%	25%	-	59%	2%	-	9%	3,442	39
-	2017	-	-	No	-	-	100%	-	-	-	-	-	-	289	2
-	-	-	-	No	-	-	100%	-	-	-	-	-	-	263	3
-	-	-	-	No	-	-	100%	-	-	-	-	-	-	843	17
-	-	-	3.9%	No	-	-	100%	-	-	-	-	-	-	1,350	24
-	2017	2013	4.5%	No	-	-	93%	-	7%	-	-	-	-	1,940	11
-	2015	-	4.0%	No	-	-	100%	-	-	-	-	-	-	638	14
-	-	-	4.2%	No	-	-	-	-	-	1%	1%	-	98%	8,170	40
-	-	2015	4.8%	No	-	-	-	4%	-	-	96%	-	-	1,517	11
-	-	-	4.0%	No	-	-	-	-	-	-	16%	-	84%	1,500	42
-	-	-	-	No	-	-	-	-	100%	-	-	-	-	162	-
-	2013/2015	2017	-	No	-	-	9%	91%	-	-	-	-	-	1,146	4
-	-	-	4.1%	No	-	-	-	-	-	-	15%	-	85%	2,115	100
							71%	7%	3%	7%	5%	1%	6%	193,048	1,538

## DEVELOPMENT PROPERTIES AS AT 31 DECEMBER 2017

Canton	Location	Address	Book value (CHF million)	Built	Project description	Project Status
<b>Development properties held for sale</b>						
VD	Lausanne	Les Logis de Prilly <sup>1)</sup>	0.3	-	163 condominiums	under construction
VS	Lens	Le Prado <sup>2)</sup>	1.9	2015	3 condominiums	for sale
VS	Hérémece	Hérémece	17.0	-	1 Hotel, 12 Buildings	under construction
BE	Saanen	Saanen	16.6	-	18 condominiums, 5 shops	under construction
<b>Investment properties under construction</b>						
VS	Sion	Les Nouveaux Ronquoz	1.2		Commercial	under construction
VD	Morges	Rue de Lausanne 35	7.1		Commercial	under construction
VS	Lens	Route de Crans 85	1.8		Commercial	under construction
VD	St.-Sulpice	Chemin des Chantres 8	3.4		Residential	under construction
FR	Granges-Paccot	Route du Lac	1.2		Commercial	under construction
<b>Undeveloped plots of land</b>						
VS	Crans-Montana	Route de Vermala	1.7	-	Residential	in planning

1) Site area and lettable area for Les Logis de Prilly correspond to 100% of the project.

2) The Group owns 50% of the subsidiary and has applied JV accounting. Sqm information relates to 100% of the property.

3) Future dates indicate planned completion of the development project.

4) According to current planning, the first building may be completed in the course of 2018, while completion of the whole project is planned for 2026.

5) S = Sole ownership / J = Joint ownership / C = Condominium

Realisation period <sup>3)</sup>	Ownership Type <sup>5)</sup>	Ownership %	Site area in sqm	Total lettable area				
				Total in sqm	Residential in %	Commercial in %	Retail in %	Other in %
2016–2018	J	16.6%	15,125	11,666	100%	-	-	-
-	C (208/1000)	50%	1,317	527	100%	-	-	-
2016–2026 <sup>4)</sup>	S	75%	25,088	19,500	65%	-	1%	34%
2017–2019	S		2,346	2,598	82%	-	18%	-
2018	S	100%	3,339	2,824	-	100%	-	-
2018	S	100%	377	1,834	-	100%	-	-
2018	S	100%	40,399	7,892	-	100%	-	-
2018	S	100%	3,118	753	100%	-	-	-
2018	S	100%	-	2,297	-	98%	2%	-
in planning	S	100%	1,910	-	-	-	-	-



# REPORT OF THE INDEPENDENT VALUATION EXPERT WÜEST PARTNER AG



Wüest Partner SA, Rue du Stand 60-62, 1204 Geneva

Investis Holding AG  
Stéphane Bonvin  
Neumühlequai 6  
CH-8001 Zürich

Geneva, 6 March 2018

Independent valuer's report  
Real Estate Property Valuation as at 31.12.2017

To the Executive Board of Investis Holding SA

Ref.  
103557.1702

## Commission

Wüest Partner SA (Wüest Partner) was commissioned by Investis Holding SA to perform a valuation, for accounting purposes, of the properties not held for sale by Investis Group in Switzerland as at 31 December 2017 (reporting date).

## Valuation standards

Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines. The property values determined correspond to the current value (market value) as described in Swiss GAAP ARR 18, item 14.

## Definition of market value

«Market value» is defined as the amount for which a property would most probably be exchanged on the open market on the valuation date between two independent and knowledgeable parties, willing to buy and sell respectively, with due allowance made for a reasonable marketing period.

Property transfer tax, property gains taxes, value added tax and other costs and commission fees that would be incurred if the property were sold are not included (gross market value). Nor is any account taken of Investis Group's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

## Valuation method

In valuing Investis Group's investment properties, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future (indefinite horizon) net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

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The single family houses and condominiums were valued using a sales comparison approach.

Properties under construction were also valued using the discounted cash flow method (DCF) by means of reverse calculation (residual value method). The market value of these properties as at valuation date has been inferred in three steps:

- Valuation of the property at the date of completion – taking into account the current occupancy/sales rate, the market and the cost estimation as at valuation date;
- Calculation of the market value as at valuation date, taking into account the projected investments still to be undertaken;
- Estimation of the development risk in relation to the current project status, and its treatment as a separate cost in the cash flow.

#### Basis of valuation

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettable of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

Within the review period from 1 January 2017 to 31 December 2017, Wüest Partner visited 9 properties belonging to Investis Group.

#### Results

As at the valuation date the relevant portfolio holds in total 139 buildings of which 138 with a strategy of "buy and hold" and 1 property under construction.

The following overview represents the valuation results:

Type of Properties	Number of buildings	Fair Value as per 31/12/2017 [CHF]
Investment Properties	132	1 044 220 000
Single Family Houses	6	24 193 000
Properties under Construction	1	3 390 000
<b>TOTAL</b>	<b>139</b>	<b>1 071 803 000</b>

These 90 properties were valued as at 31 December 2017 by Wüest Partner. The market value of these properties of the Investis Group is estimated as at 31 December 2017 at 1,071,803'000 Swiss Francs.

**Changes during reporting period**

Within the review period from 1 January 2017 to 31 December 2017 the following changes took place:

**Properties acquired:**

- Route de Meyrin 283-285, 1217 Meyrin
- Rue du Valais 7-9-11, 1202 Genève
- Rue de Carouge 72 - 74, 1205 Genève
- Rue Simon-Durand 5, 1227 Les Acacias
- Rue Charles-Cusin 10, 1201 Genève
- Avenue de Bussy 22-24, 1510 Moudon
- Chemin des Valentines 25, 1880 Bex
- Route Aloys-Fauquez 60, 1018 Lausanne
- Chemin du Vieux-Bureau 98, 1217 Meyrin

**Properties sold**

- rue du Général-Guisan 40 ,1009 Pully
- chemin de Planchy 15, 1630 Bulle
- route de Tsarbouye 61 ,3963 Chermignon
- rue de la Télérésidence 2 ,3963 Lens
- route du Pont du Diable 3 ,3963 Lens
- Chemin Fagne 1, 1145 Bière

**Development finished**

- None

**Independence and confidentiality**

Wüest Partner performed the valuation of Investis Group's properties independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest Partner shall accept no liability in respect of third parties.

Geneva, 6 March 2018  
Wüest Partner SA



Nabil Aziz  
Partner



Léon Ly  
Manager

## Appendix 1: Valuation assumptions

### Investment properties

The investment property valuations are based on the following general assumptions:

- Surface areas: The lettable areas were factored into the valuations on the basis of the rent rolls of Investis Group and verbal information provided by Investis Group. Discrepancies between this information and the property plans were verified with Investis Group.
- Rent rolls: The rent rolls as at 31 December 2017, on which the valuation was based, were received by Wüest Partner in November, December 2017 and January 2018.
- Calculation model: The DCF model adopted is a two-phase model. For the first 10-year phase, revenues and costs are shown explicitly and for the second phase (indefinite horizon) as perpetual annuities in the form of exit values.
- Discounting: Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + real estate risk (illiquidity) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums. Real discount rates range between 3.40% and 5.00% depending on the property, use and location.
- Inflation: Unless otherwise specified, the valuations assume an annual inflation rate of 0.50% for both incomes and expenses. When considered in nominal terms, the discount rate is adjusted accordingly. The cash flow trend and the discounting applied are presented in nominal terms.
- Indexation: Specific indexation of existing rental contracts is taken into account. After expiry of the contracts, an indexation factor of 80% (Swiss average) is assumed.
- Credit Risks: Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Schedule of payments: For existing rental contracts, the schedule of individual payments is assumed to comply with the terms of the lease. After expiry of the contracts, cash flows are factored quarterly in advance for commercial tenancies and monthly in advance for residential tenancies.
- Recoverability of ancillary costs: In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner only for office properties and hotels.
- Maintenance costs: The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest Partner valuations.

#### Properties under construction and development properties

Wüest Partner also determined the market values of properties under construction and development properties. The valuations of these properties are based on the following assumptions:

- Partial plots: Where appropriate, Investis Group divides the properties into partial plots. For reasons of transparency, this subdivision is taken into account by Wüest Partner in the valuations.
- Project development strategy: Where deemed plausible by Wüest Partner, the strategy in relation to project development/promotion (e.g. sale vs. letting) has been taken into account from Investis Group.
- Background data: The background data of Investis Group are verified and adjusted where appropriate (e.g. utilization, lettable areas, schedule/development process, rental/absorption).
- Impartial view: The valuations are subjected to an impartial assessment of incomes, costs and investment returns.
- Design-and-build or general service contracts: With regard to the service contracts of general and design-and-build contractors, it is assumed that construction costs have been secured.
- Services provided by project developers: The construction costs include the services of Investis Group as the developer's representative and the project developer.
- Sales costs: For properties earmarked for sale (e.g. condominiums), sales costs have been taken into account in the valuations.
- Preparatory works: Where known, preparatory works are taken into account in construction costs (e.g. remediation of legacy contamination, demolition work, infrastructure).
- Incidental costs: Construction costs include the usual incidental costs such as construction finance, but exclude financing of the plot of land. These costs are implicitly included in the DCF model.
- Services provided to date: Where known, value-relevant services provided to date by third parties or by Investis Group in the form of investments made are taken into account.
- VAT opt-in: It is assumed that the income from the planned commercial properties (VAT opt-in) is subject to VAT. The construction costs are therefore presented exclusive of VAT.
- Deferred taxes: The valuations do not include any deferred taxes.

# FINANCIAL STATEMENTS

## INVESTIS HOLDING SA

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## BALANCE SHEET

In CHF 1,000	Note	31.12.2017	31.12.2016
Cash and cash equivalents		256	30
Account receivables from Group companies		187	-
Current loans to Group companies	2.1	34,000	-
Prepaid expenses and accrued income		36	-
<b>Total current assets</b>		<b>34,480</b>	<b>30</b>
Non-current loans to Group companies	2.1	528,000	272,148
Investments in subsidiaries	2.2	200,000	200,000
<b>Total non-current assets</b>		<b>728,000</b>	<b>472,148</b>
<b>Total assets</b>		<b>762,480</b>	<b>472,177</b>
Account payables to Group companies		-	27
Accrued expenses		1,339	258
<b>Total current liabilities</b>		<b>1,339</b>	<b>285</b>
Bonds	2.3	420,000	100,000
<b>Total non-current liabilities</b>		<b>420,000</b>	<b>100,000</b>
<b>Total liabilities</b>		<b>421,339</b>	<b>100,285</b>
Share capital		1,280	1,280
Statutory capital reserves			
– Capital contribution reserve		112,521	142,699
– Other capital reserves		199,098	199,000
Retained earnings			
– Profit carried forward		28,914	-
– Profit for the year		463	28,914
Treasury shares		-1,135	-
<b>Total equity</b>	2.4	<b>341,141</b>	<b>371,892</b>
<b>Total shareholders' equity and liabilities</b>		<b>762,480</b>	<b>472,177</b>

## INCOME STATEMENT

In CHF 1,000	Note	2017	2016
Income from investments in subsidiaries	2.5	-	30,000
Interest on loans to Group companies		3,129	832
<b>Total income</b>		<b>3,129</b>	<b>30,832</b>
Personnel expenses	2.6	-361	-331
Administrative expenses		-290	-1,365
Financial expenses		-1,977	-222
<b>Total operating expenses</b>		<b>-2,627</b>	<b>-1,918</b>
<b>Profit before taxes</b>		<b>503</b>	<b>28,914</b>
Income taxes		-39	0
<b>Profit for the year</b>		<b>463</b>	<b>28,914</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING PRINCIPLES

#### 1.1 GENERAL ASPECTS

These financial statements were prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Investis Holding SA was incorporated on 7 June 2016 and registered in the commercial register of the Canton Zurich on 8 June 2016.

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

#### 1.2 ASSETS

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

#### 1.3 LOANS AND INVESTMENTS

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

#### 1.4 BONDS

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

#### 1.5 TREASURY SHARES

Treasury shares are recognised at acquisition cost and deducted from equity. Gains and losses on the sale are recognised in equity.

## 2. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

### 2.1. LOANS

In CHF 1,000	31.12.2017	31.12.2016
Loan to Investis Investments SA	558,000	272,148
Loan to other Group companies	4,000	-
<b>Total loans to Group companies</b>	<b>562,000</b>	<b>272,148</b>
Of which current assets	34,000	-
Of which non-current assets	528,000	272,148

### 2.2. INVESTMENTS

The list of legal entities held directly or indirectly by the Company and consolidated at Investis Group level, is published in [Note 26](#) of the consolidated financial statements in this report.

### 2.3 BONDS

In 2017, a CHF 140 million bond maturing on 14 February 2019 was issued on 14 February 2017. The coupon is 0.25%. A further bond of CHF 180 million, maturing on 3 October 2022, with a coupon of 0.75%, was issued on 3 October 2017.

In 2016, a CHF 100 million bond maturing on 15 November 2021 was issued on 15 November 2016. The coupon is 0.55%.

Information on loan conditions is published in [Note 16](#) of the consolidated financial statements in this report.

### 2.4. EQUITY

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

Investis Holding SA was incorporated on 7 June 2016. The share capital was paid-up by a contribution in kind. On 4 July 2016, the capital increase of 2,800,000 shares in connection with the initial public offering was completed. The gross proceeds amounted to CHF 148 million.

At the extraordinary shareholders' meeting of Investis Holding SA held on 17 June 2016, it was resolved to create conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 30,000 by issuing a maximum of 300,000 shares, under the exclusion of shareholders' pre-emptive rights, in favour of directors, members of the Executive Board and employees of the Group in the context of a management incentive plan.

In CHF 1,000	Share capital	Legal capital reserves		Retained earnings	Treasury shares	Total equity
		Capital contribution reserve	Other capital reserves	Profit for the year		
Equity as at 7 June 2016	1,000		199,000			200,000
Capital increase	280	142,699				142,979
Profit for the year				28,914		28,914
Equity as at 31 December 2016	1,280	142,699	199,000	28,914	-	371,892
Equity as at 1 January 2017	1,280	142,699	199,000	28,914		371,892
Reclassification		-98	98			0
Profit for the year				463		463
Dividends		-30,080				-30,080
Purchase of treasury shares					-1,135	-1,135
Equity as at 31 December 2017	1,280	112,521	199,098	29,377	-1,135	341,141

#### 2.4.1 CAPITAL CONTRIBUTION RESERVE

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

From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital. In 2017, the Swiss Federal Tax Administration (SFTA) has confirmed that it will recognise CHF 142.6 million of the disclosed reserves from capital contributions as at 31 December 2016 as a capital contribution as per article 5 para. 1bis Withholding Tax Act. The unconfirmed amount of CHF 0.1 million was reclassified to other capital reserves.

#### 2.4.2 TREASURY SHARES

	2017		2016	
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000
Net carrying amount as at 1 January	-	-		
Purchase of treasury shares <sup>1)</sup>	20,000	-1,135		
Net carrying amount as at 31 December	20,000	-1,135	-	-

1) In the year under review, Investis Holding SA acquired 20,000 (2016: -) registered treasury shares at an average price of CHF 56.75 (2016: CHF -)

## 2.5 INCOME FROM INVESTMENTS IN SUBSIDIARIES

In 2017, no dividend from investments in subsidiaries was received. In 2016, the dividend from investments in subsidiaries amounted to CHF 30.0 million.

## 2.6. PERSONNEL EXPENSES

Information on personnel expenses for the Board of Directors and the Executive Board is published in the [compensation report](#) in this annual report.

### 3. OTHER INFORMATION

#### 3.1 FULL-TIME EQUIVALENT

Investis Holding SA has no employees.

#### 3.2 SIGNIFICANT SHAREHOLDERS

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

Stéphane Bonvin owned 9,791,080 shares or 76.5% (2016: 9,751,080 or 76.2%) of the outstanding share capital.

#### 3.3 SHARE OWNERSHIP

##### Members of the Board of Directors

(non-executive)

As at 31 December 2017, the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

As at 31 December 2017	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	2,000	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	18,867	0.1
Thomas Vettiger	Member and Chairman of the Audit Committee	1,500	<0.1
<b>Total</b>		<b>22,367</b>	<b>0.2</b>

As at 31 December 2016	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	2,000	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	18,867	0.1
Thomas Vettiger	Member and Chairman of the Audit Committee	750	<0.1
<b>Total</b>		<b>21,617</b>	<b>0.2</b>

## Members of the Executive Board

(including the executive member of the Board of Directors)

As at 31 December 2017, the executive member of the Board of Directors and the members of the Executive Board (including their related parties) held the following Investis shares.

As at 31 December 2017	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin <sup>1)</sup>	Chief Executive Officer and member of the Board of Directors	9,791,080	76.5
René Häsler	Chief Financial Officer	11,340	0.1
Walter Eberle	Head of Facility Services	6,000	<0.1
Catherine Dubey <sup>2)</sup>	Head Real Estate Services	600	<0.1
<b>Total</b>		<b>9,809,020</b>	<b>76.6</b>

- 1) In the context of the initial public offering carried out in June 2016, Stéphane Bonvin, as selling shareholder, entered into a lock-up arrangement with Credit Suisse AG (acting on behalf of the other banks) covering any shares within a 67% stake in the share capital of Investis as of the first trading day for a period of 36 months after the first trading day.
- 2) Member of the Executive Board until 31 March 2017

As at 31 December 2016	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin <sup>1)</sup>	Chief Executive Officer and member of the Board of Directors	9,751,080	76.2
Catherine Dubey	Head Real Estate Services	600	<0.1
René Häsler	Chief Financial Officer	11,340	0.1
<b>Total</b>		<b>9,763,020</b>	<b>76.3</b>

- 1) In the context of the initial public offering carried out in June 2016, Stéphane Bonvin, as selling shareholder, entered into a lock-up arrangement with Credit Suisse AG (acting on behalf of the other banks) covering any shares within a 67% stake in the share capital of Investis as of the first trading day for a period of 36 months after the first trading day.

### 3.4 EVENTS AFTER THE BALANCE SHEET DATE

On 1 February 2018, Investis successfully completed its takeover, announced on 20 December 2017, of Société d'investissements immobiliers SII SA, a Geneva-based property company with an attractive portfolio of ten residential properties in Geneva. The acquisition price is CHF 108 million.

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

## PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

### PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

In CHF 1,000	31.12.2017	31.12.2016
Profit brought forward from prior year	28,914	-
Profit for the year	463	28,914
<b>Retained earnings available for Annual General Meeting</b>	<b>29,377</b>	<b>28,914</b>
The Board of Directors proposes to the Annual General Meeting that the balance be carried forward to the new accounts		
<b>Balance to be carried forward</b>	<b>29,377</b>	<b>28,914</b>

### PAYOUT FROM STATUTORY CAPITAL CONTRIBUTION RESERVE

The Board of Directors proposes to the Annual General Meeting an appropriation from statutory capital contribution reserves to voluntary retained earnings and a payout of CHF 2.35 per registered share amounting to CHF 30,080,000<sup>1)</sup>.

In CHF 1,000	2017	2016
Statutory capital contribution reserves before distribution	112,619	142,699
Reclass to other capital reserves <sup>2)</sup>	-98	-
Appropriation from statutory capital reserves to voluntary retained earnings	-30,080	-30,080
<b>Statutory capital contribution reserves after distribution</b>	<b>82,441</b>	<b>112,619</b>
<b>Distribution <sup>1)</sup></b>		
Gross distribution per registered share: CHF 2.35 (2016: CHF 2.35)		
on 12,780,000 shares entitled to distribution at 31 December 2017 (2016: 12,800,000)	30,033	30,080
on 20,000 treasury shares set aside for the employee share plan at 31 December 2017 (2016: -)	47	-
Less withholding tax	-	-
<b>Net distribution</b>	<b>30,080</b>	<b>30,080</b>

- 1) The Company will waive its entitlement to such payments from the statutory capital contribution reserves for the treasury shares held on the distribution date which are reserved for use in its employee share plan. The amount due on these shares will be taken to the statutory capital contribution reserves.
- 2) The capital contribution reserve confirmed by Federal Tax Administration in 2017 amounted CHF 142,601,180.50 as of 1 January 2017.

## REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS



### ***Report of the statutory auditor to the General Meeting of Investis Holding SA Zurich***

#### ***Report on the audit of the financial statements***

##### ***Opinion***

We have audited the financial statements of Investis Holding SA, which comprise the balance sheet as at 31 December 2017, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 122 to 130) as at 31 December 2017 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***

##### ***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.

##### ***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.

---

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<i>Overall materiality</i>	CHF 7'600'000
<i>How we determined it</i>	1% of total assets
<i>Rationale for the materiality benchmark applied</i>	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of a holding company that does not engage in operating activities is most commonly measured.

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

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

***Responsibilities of the Board of Directors for the financial statements***

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

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

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

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

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism 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 the entity's 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.

### ***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

A blue ink signature of Oliver Kuntze, written over a light blue grid background. To the right of the signature is a small red square icon with a white cross.

Oliver Kuntze  
Audit expert  
Auditor in charge

A blue ink signature of Marc Zurflüh, written over a light blue grid background. To the right of the signature is a small red square icon with a white cross.

Marc Zurflüh  
Audit expert

Bern, 19 March 2018

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## FINANCIAL CALENDAR AND SHARE DATA

20 April 2018	Ordinary Annual General Meeting 2018
30 August 2018	Half-year results 2018
ISIN	CH 0325094297
Swiss security no.	32,509,429
Ticker symbol	IREN
Bloomberg	IREN SE
Reuters	IREN.S
Type of security	Registered share
Trading currency	CHF
Listing	SIX Swiss Exchange
Index	SPI, SXI Real Estate Shares
No. of registered shares outstanding	12,800,000
Nominal value in CHF	0.10

## LEGAL INFORMATION

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