

INVESTIS **25**  
ANNIVERSARY

REAL ESTATE GROUP

# ANNUAL REPORT 2018





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## SELECTED KEY FIGURES

Investis financial key figures		31.12.2018	31.12.2017
Revenue	CHF 1,000	197,491	189,987
EBITDA before revaluations/disposals	CHF 1,000	39,724	37,311
EBIT	CHF 1,000	74,575	60,871
Net profit	CHF 1,000	54,376	57,604
Net profit excluding revaluation effect	CHF 1,000	35,576	26,789
Funds from operations (FFO) <sup>1)</sup>	CHF 1,000	61,145	29,460
<b>Total assets</b>			
Total assets	CHF 1,000	1,423,653	1,238,222
Mortgages and bonds	CHF 1,000	545,631	436,357
Gross LTV		41%	39%
Deferred tax liabilities	CHF 1,000	177,639	154,977
Shareholders' equity	CHF 1,000	588,511	568,989
Equity ratio		41.3%	46.0%
<b>Number of employees</b>			
Headcount (as at period end)		1,391	1,420
FTE (full-time equivalent, average over the period)		1,169	1,143

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

Data per share		31.12.2018	31.12.2017
<b>Share ratios</b>			
Share capital	CHF 1,000	1,280	1,280
Number of registered shares issued		12,800,000	12,800,000
Nominal value per share	CHF	0.10	0.10
<b>Share data</b>			
NAV per share	CHF	45.89	44.38
NAV per share excluding deferred taxes with regard to properties	CHF	59.59	55.91
Earnings per share (basic/diluted)	CHF	4.27	4.49
Gross dividend <sup>1)</sup>	CHF	2.35	2.35
Dividend yield <sup>1)</sup>		3.8%	3.8%
Payout ratio <sup>1)</sup>		55.4%	52.4%
<b>Share price</b>			
Share price – high	CHF	67.80	64.95
Share price – low	CHF	56.60	55.40
Share price at end of period	CHF	61.80	62.65
Average number of shares traded per day		1,762	5,562
Market capitalisation at end of period	CHF 1,000	791,040	801,920

1) Intended distribution per share 2018 in accordance with the proposal to the Annual General Meeting of 29 April 2019.

INVESTIS GROUP  
ANNUAL REPORT 2018

Properties key figures		31.12.2018	31.12.2017	
Residential investment properties	CHF 1,000	1,146,271	940,629	
Commercial investment properties	CHF 1,000	102,729	127,784	
Investment properties under construction	CHF 1,000	25,073	14,826	
Undeveloped plots of land	CHF 1,000	1,673	1,673	
Properties held for sale	CHF 1,000	69,476	35,805	
Total property portfolio	CHF 1,000	1,345,221	1,120,717	
Total buildings		157	139	
Total residential units		2,911	2,508	
Average discount rate		3.49%	3.62%	
Revenue		CHF 1,000	54,983	47,492
Like-for-like rental growth		1.7%	1.9%	
EBITDA before revaluations/disposals		CHF 1,000	34,953	32,394
EBIT		CHF 1,000	71,864	58,039
Annualised full occupancy property rent		CHF million	57.7	51.5
Annualised property rent		CHF million	56.0	49.6
Vacancy rate		2.9%	3.5%	
Real Estate Services key figures		31.12.2018	31.12.2017	
Rents under management	CHF billion	1.74	1.68	
Revenue		CHF 1,000	147,832	147,637
Of which property management		54%	53%	
Of which facility services		46%	46%	
Of which other		0%	1%	
EBIT		CHF 1,000	7,701	7,839
EBIT margin		5.2%	5.3%	

# GROUP OVERVIEW

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## PROFILE

### Unique residential property company with a nationwide real estate services business

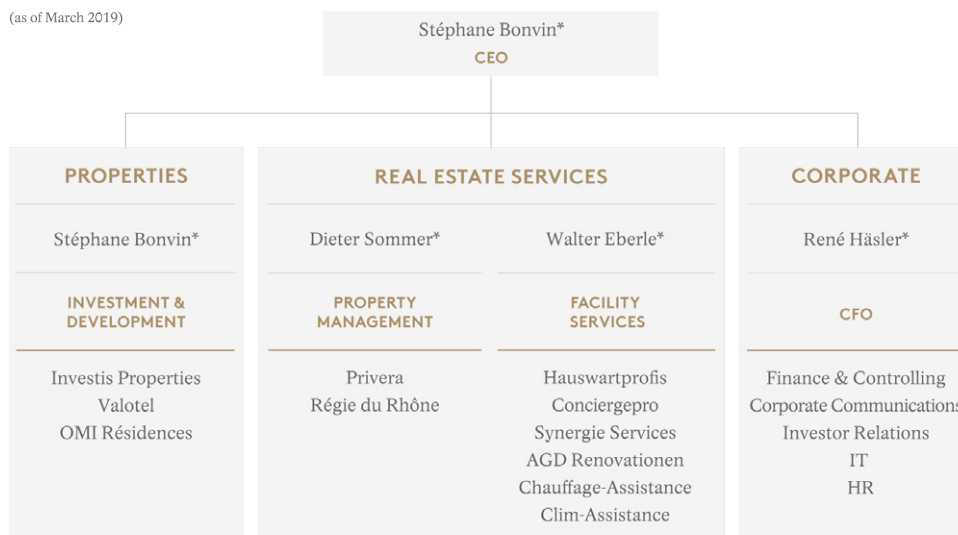
Founded in 1994, the Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in both property management and facility services. Investis **Properties** has a portfolio of predominantly residential properties in the middle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

(as of March 2019)



\* Member of the Executive Board



## REPORT TO SHAREHOLDERS

### An excellent financial year for Investis

Dear Shareholders  
Dear Sir or Madam

Investis can look back on an excellent financial year. Its success in the Properties segment was based on investments in the portfolio and an organic growth in rental income, as well as the recurrence of a positive revaluation effect and disposal gains. The Real Estate Services segment is on track and also generated organic growth. Financing costs were further reduced as planned.



Location: OurPlace, Morges ([www.our-place.ch](http://www.our-place.ch))

#### INVESTIS GROWS NET PROFIT EXCLUDING REVALUATION EFFECT

Investis generated CHF 197 million of revenue in 2018 (prior year CHF 190 million). EBITDA before revaluations and disposal gains rose by 6% to CHF 39.7 million (prior year CHF 37.3 million). Including the gain on revaluations and disposals, EBIT increased by 23% to CHF 74.6 million (prior year CHF 60.9 million).

The average interest rate was further reduced to 0.5% (prior year 0.7%). Consequently, financial expenses decreased to CHF 3.9 million (prior year CHF 4.1 million) despite higher financial liabilities. Tax expense was CHF 16.4 million in the year under review, corresponding to a normalised effective tax rate of 23.1%.

Group profit was CHF 54.4 million (prior year CHF 57.6 million) and earnings per share were CHF 4.27 (prior year CHF 4.49). Net profit excluding revaluation effect grew significantly, increasing by 33% to CHF 35.6 million (prior year CHF 26.8 million).

Net asset value (NAV) per share excluding deferred taxes with regard to properties rose to CHF 59.59 (prior year CHF 55.91).



### PROPERTIES: RENTAL INCOME INCREASES TO CHF 55 MILLION

Investis achieved a very good result in the Properties segment, where it made further sustainable investments in the portfolio and in development projects (CHF 242 million, prior year CHF 131 million). Rental income rose by 16% to CHF 55.0 million in the year under review (prior year CHF 47.5 million), corresponding to an increase of 1.7% (prior year 1.9%) on a like-for-like basis. Compared to the prior year (3.5%), the vacancy rate was further reduced to 2.9%, representing a low level compared to the industry in general.

Property costs reflected the slightly higher need for renovation of several acquired properties. Based on increased rental income and lower discount rates, the revaluation gain was CHF 24.2 million (prior year CHF 25.0 million). The sale of individual properties resulted in disposal gains of CHF 12.8 million (prior year CHF 0.7 million).

Overall, operating profit (EBIT) in the Properties segment rose by 24% to CHF 71.9 million (prior year CHF 58.0 million). The portfolio value increased by 20% to CHF 1,345 million at the end of 2018 (prior year CHF 1,121 million) and is based on an annualised full occupancy property rent of CHF 57.7 million. The portfolio contained 157 properties with 2,911 residential units as of 31 December 2018.

### REAL ESTATE SERVICES SEGMENT ON TRACK – REORGANISATION COMPLETED

Revenue in the Real Estate Services segment totalled CHF 148 million, a slight increase compared to the prior year. While the results generated by the **Property Management** activity for 2018 exceeded expectations, **Facility Services** had a challenging year that was dominated by the rebranding of all caretaker services under a single brand and the corresponding reorganisation costs. The Real Estate Services segment produced an operating profit (EBIT) of CHF 7.7 million (prior year CHF 7.8 million) and the EBIT margin was 5.2% (prior year 5.3%).

In **Property Management**, organic revenue growth of 1.9% was achieved despite the adjustment of its portfolio of mandates. The measures initiated in prior years to improve results led to a renewed increase in operating profitability. Following the conclusion of new mandate agreements, rents under management rose to CHF 1.74 billion (prior year CHF 1.68 billion).

The **Facility Services** activity recorded slower revenue growth, as expected. With organic growth of 0.4%, revenue was virtually unchanged from the prior year. The costs resulting from the brand mergers had a corresponding impact on the EBIT margin. The reorganisation of this activity was thus successfully completed, creating the basis for further growth and higher profitability.

### VERY SOLID BALANCE SHEET – LOAN-TO-VALUE RATIO REMAINS LOW AT 41%

Total assets increased by 15% to CHF 1.4 billion as of 31 December 2018, with Investis retaining its comfortable equity ratio of over 40%. Interest-bearing financial liabilities resulted in a loan-to-value ratio of 41%, which is comparatively low by industry standards. The relevant deferred tax liabilities increased to CHF 178 million (prior year CHF 155 million).

## ANNUAL GENERAL MEETING 2019

At the Annual General Meeting that will be held on 29 April 2019 in Zurich, a dividend of CHF 2.35 per share in the form of a repayment from reserves from capital contributions – unchanged from the prior year – will be proposed to Investis shareholders. This corresponds to a dividend payout ratio of 55%. All members of the Board of Directors and the Compensation Committee are standing for re-election.

## EVENTS AFTER THE BALANCE SHEET DATE

In February 2019, Investis placed another bond issue with a volume of CHF 140 million and a coupon of 0.773% on the market. The issue has a tenor of two years. The proceeds were used to refinance the bond with the same amount that matured in February 2019.

The financing strategy based on unsecured senior debt was successfully implemented in the first quarter of 2019. The first unsecured credit agreement was concluded in mid-March 2019.

The previously announced sale of the 100% subsidiary Régie du Rhône Crans-Montana SA, Lens, was completed on 28 February 2019, as planned. In addition, Investis sold half of its shares in the project company La Foncière de la Dixence on 25 March 2019. Following this sale, Investis continues to hold 41.7% of the project company.

Investis has appointed CBRE (Geneva) SA as the independent external valuation expert for the entire real estate portfolio. CBRE will perform the valuations for the first time as part of the 2019 half-year results. CBRE will thus succeed Wüest Partner AG after six years of excellent collaboration in this function.

## MARKET ENVIRONMENT AND 2019 OUTLOOK

The Investis portfolio consists primarily of residential properties in the mid-price segment at central locations in the Lake Geneva region. Strong demand due to continued migration, coupled with demographic change and the low proportion of new properties being realised in central areas, is continuing to have a positive impact on the rental situation.

The environment remains challenging for the Real Estate Services segment. Increased automation of business processes is leading to shorter and more efficient workflows. In the year under review, Investis acquired stakes in various innovative start-ups in the real estate sector to allow for the joint development of digital solutions.

The employment world is currently also in a transition phase. The need for flexible working has clearly grown and traditional offices are increasingly being replaced by co-working spaces. Investis is also addressing this trend and has created its first pilot project with the “OurPlace” brand. It recently held the official opening of the first OurPlace office, which is located in an Investis property in Morges.

Investis is celebrating its 25th anniversary in 2019 and can thus look back on an exciting success story. The Board of Directors and the Executive Board believe that with its business model as well as its strategy and investment policy, Investis remains well positioned to achieve continued success in a challenging market environment.

Investis is planning to acquire investment properties at attractive locations with a focus on the Lake Geneva region in order to drive the further sustainable growth of its real estate portfolio. It is confirming its remaining mid-term target for 2019: the generation of a high single-digit EBIT margin in the Real Estate Services segment.

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.

- 2018**

  - Issue of a fourth fixed-rate bond of CHF 100 million
  - Acceleration of the digital transformation through selected investments in start-ups
  - Acquisition of two large property portfolios in Geneva
- 2017**

  - Investment in Polytech Ventures Holding SA (50%)
  - Issue of a third fixed-rate bond of CHF 180 million
  - Issue of a second fixed-rate bond of CHF 140 million
  - Acquisition of Hauswartprofis AG
- 2016**

  - Issue of a first fixed-rate bond of CHF 100 million
  - Acquisition of Clim-Assistance SA
  - Acquisition of the minority stake in Investis Patrimoine SA
  - Entry onto the capital market on 30 June 2016 through the successful initial public offering (IPO) with an issue volume of CHF 148.4 million
- 2015**

  - Acquisition of Valotel SA, SI Clovil SA, Rey'novtoit, Imhoff.ch Sàrl, La Pomardière SA
- 2014**

  - 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
- 2012**

  - Acquisition of Synergie Services Facility Management SA
- 2011**

  - Entry into the real estate services market with the completion of the acquisition of Régie du Rhône SA
- 2009**

  - The company name was changed to Investis
- 2007**

  - Creation of a Holding structure
- 2002**

  - Consolidation of the property portfolio
- 1997**

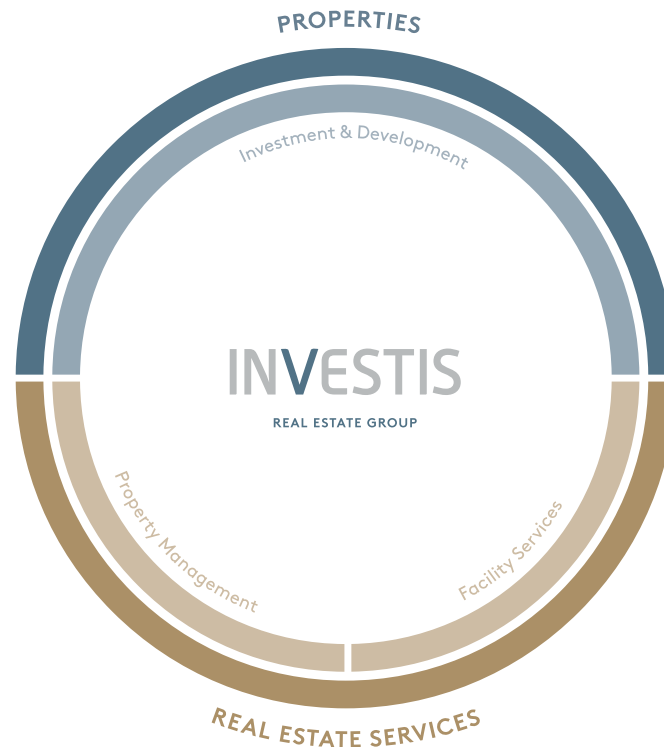
  - Compagnie Foncière de la Cité SA acquires its first buildings in the Canton of Geneva
- 1996**

  - Compagnie Foncière de la Cité SA accumulates residential properties in the Canton of Vaud
- 1994**

  - Foundation of Compagnie Foncière de la Cité SA

## STRATEGY

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



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

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

### PRESERVATION AND GROWTH OF PORTFOLIO VALUE THROUGH ACTIVE PORTFOLIO MANAGEMENT

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

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

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

**GREATER EFFICIENCY AND ENHANCED QUALITY THROUGH DIGITALISATION**

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

**SOLID FINANCING STRATEGY WITH A SOUND CAPITAL BASE**

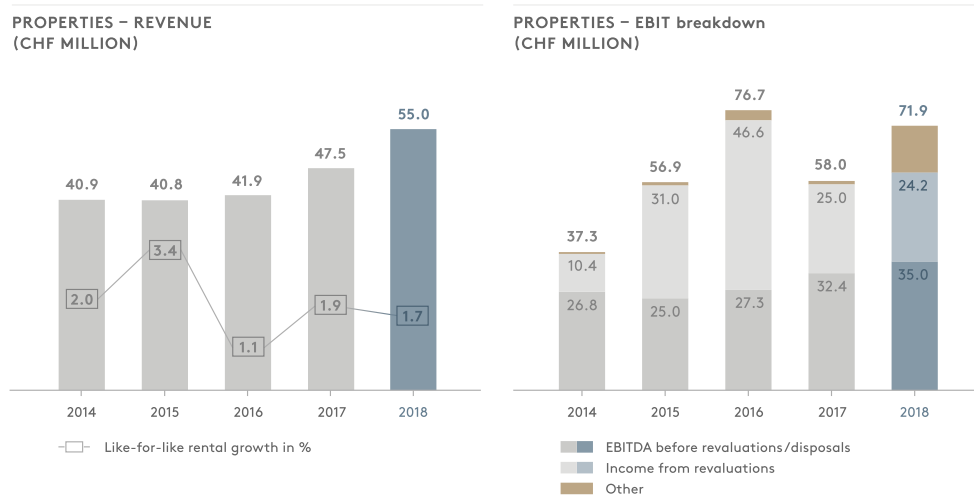
The Group is solidly financed and is targeting a gross loan-to-value ratio (LTV) of 40%. LTV is measured as the ratio of interest-bearing financial debt to portfolio value, but it does not include the value of the real estate service business. A low LTV ratio gives the company full flexibility to exploit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

## PROPERTIES

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



Investis has developed its Properties business line over 25 years. It generated revenues of CHF 55.0 million and an operating profit (EBIT) of CHF 71.9 million during 2018.



### 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.

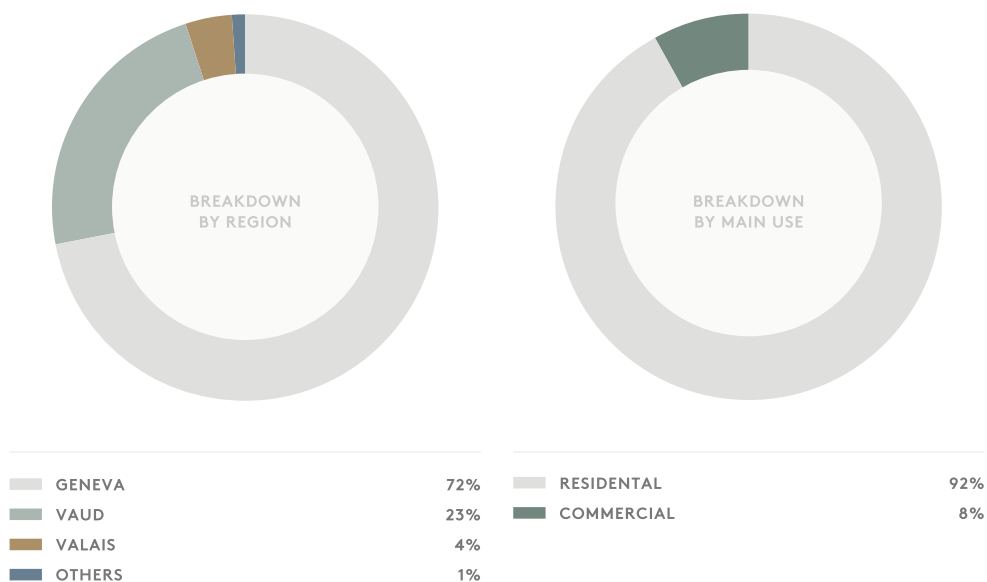
The portfolio is mainly located within the Cantons of Geneva, Vaud and, to a smaller extent, Valais. In the Cantons of Geneva and Vaud, the majority of buildings are clustered around Geneva and Lausanne.



**INVESTMENT PROPERTIES —MAINLY RESIDENTIAL**

Based on market value and main use, 92% of the properties are used for residential purposes and 8% for commercial purposes.

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



**DEVELOPMENTS**

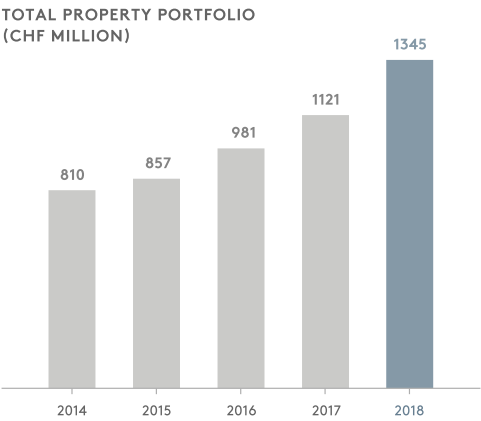
Investis carries out opportunistic developments aimed at high returns on sales. To this end, Investis selectively purchases the land, obtains the necessary construction permits, develops the properties and subsequently rents or sells them.

**SERVICED APARTMENTS**

The Serviced Apartments activity consists of the operation of 83 serviced apartments under the OMI Residences brand. The apartments are mainly located in the center of Geneva.

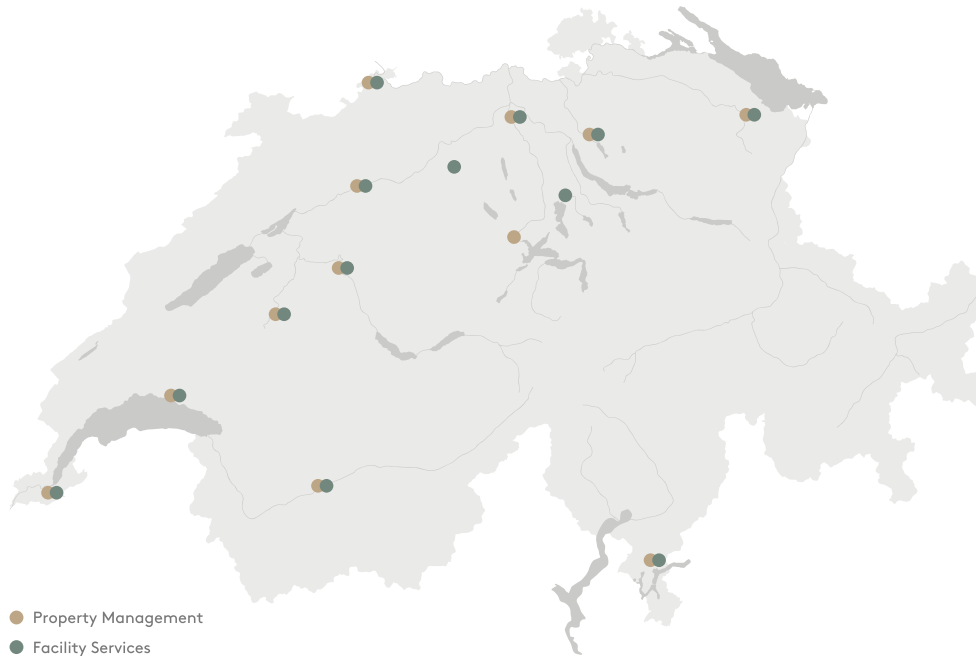
**PROPERTY PORTFOLIO**

The portfolio was valued at CHF 1,345 million as at 31 December 2018 and consists of 2,911 middle-income residential units in 157 buildings as well as 13 developments. Detailed information on the properties is available on the [Company website](#) or under the [property portfolio](#) in this annual report.



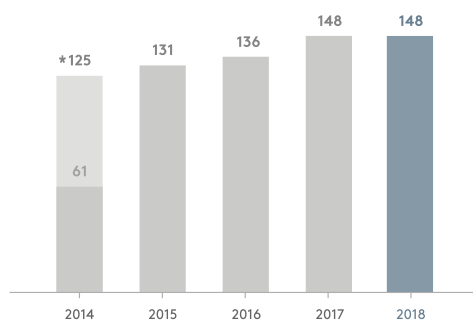
## REAL ESTATE SERVICES

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



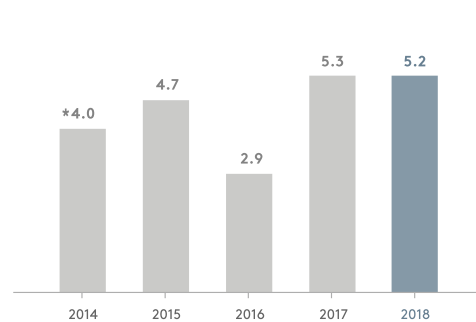
In the Real Estate Services business segment, Investis pursues two activities throughout Switzerland, namely Property Management and Facility Services. This business segment generated a revenue of CHF 148 million in 2018, with an EBIT margin of 5.2%.

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 1.74 billion (as per 31 December 2018), representing an organic increase of CHF 60 million in 2018 (2017: increase of CHF 100 million).

## PROPERTY MANAGEMENT

Property Management activities are offered by **Privera AG** and **Régie du Rhône 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

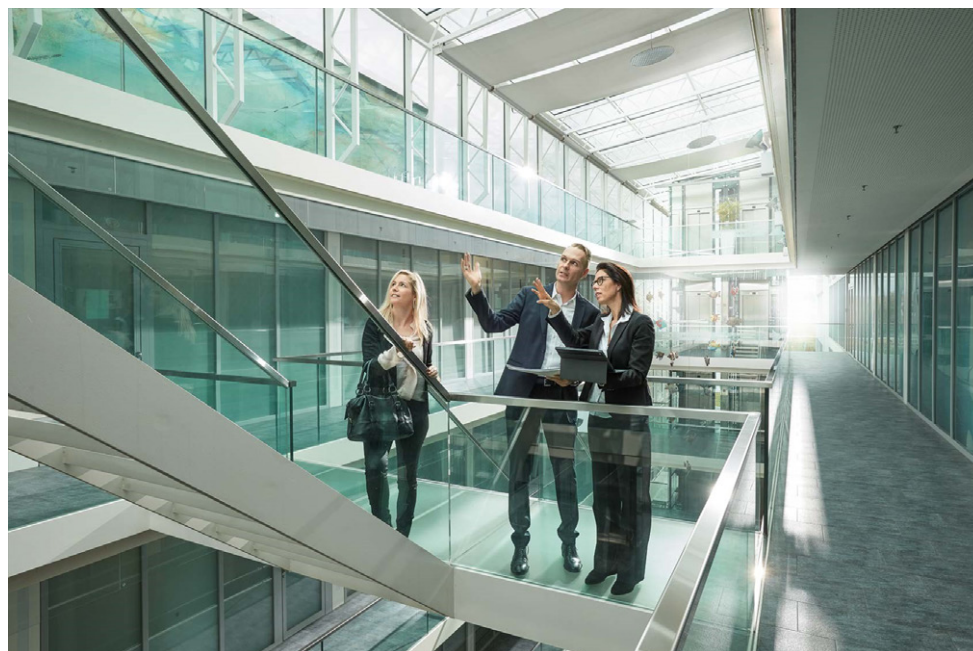
- First-time, renewal and special lettings of residential and commercial properties, office, service and retail spaces
- Market and site analyses
- Property and usage analyses
- Letting and marketing concepts
- Property marketing, letting management

### 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, 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

**Technical services**

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

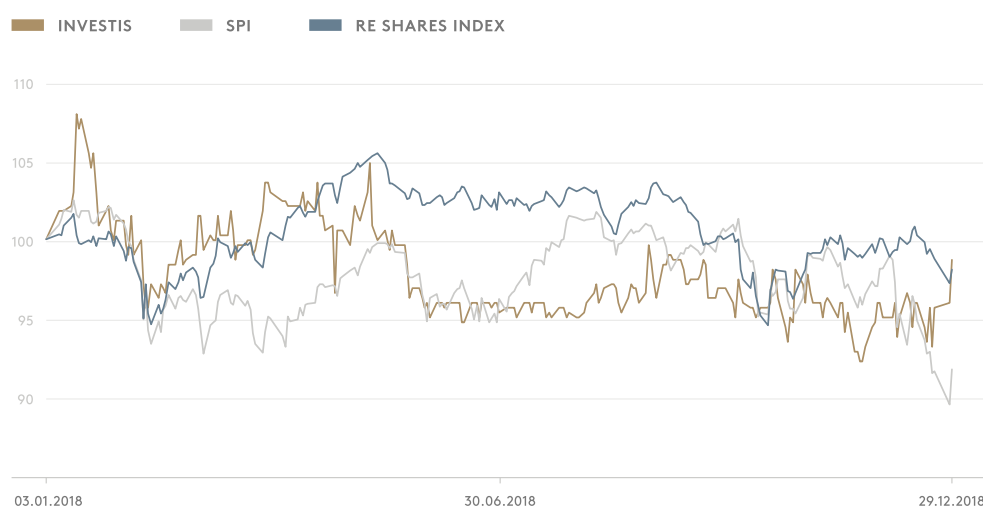


## SHARE INFORMATION, BOND INFORMATION

Investis can look back on its second full financial year as a listed company. 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 61.80; a decrease of 1.4% vs the closing price of CHF 62.65 at the end of 2017.

### FIXED-RATE BONDS

In order to optimise the financing structure and to benefit from the attractive conditions on the capital market, Investis Holding SA successfully issued one additional fixed-rate bond in 2018. All fixed-rate bonds are traded on the SIX Swiss Exchange in Zurich.

ISIN	CH 033 764 551 6	CH 035 259 586 9 <sup>1)</sup>	CH 036 153 322 4	CH 037 347 679 2
Trading currency	CHF	CHF	CHF	CHF
Issuing volume	100 million	140 million	180 million	100 million
Listing	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Coupon	0.55%	0.25%	0.75%	0.35%
Tenor	5 years	2 years	5 years	2 years
Payment date	15 November 2016	14 February 2017	3 October 2017	12 June 2018
Redemption date	15 November 2021	14 February 2019	3 October 2022	12 June 2020

1) Refinanced with a coupon of 0.773% for a tenor of 2 years (14 February 2019 – 15 February 2021).

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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 2018. 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 principles and rules of corporate governance as practised 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:

- a) for the Annual Report 2018 [reports.investisgroup.com/18/ar](https://reports.investisgroup.com/18/ar)
- b) for the Compensation Report 2018 at [reports.investisgroup.com/18/ar/compensation-report](https://reports.investisgroup.com/18/ar/compensation-report)
- c) for the Articles of Association and for the Organisational Regulations <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 2018.

## 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 791 million as at 31 December 2018. 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 25.

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 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 2018, 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 9,860,021 shares or 77.0% of the outstanding share capital as at 31 December 2018. As at 31 December 2017 Stéphane Bonvin owned 9,791,080 or 76.5%.

Investis Holding SA is not aware of any other significant shareholder as of 31 December 2018. Detailed disclosure information can be found under [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://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 2018.

Shares issued				
Registered shares			12,046,211	94.1%
Non-registered shares			656,405	5.1%
Treasury shares			97,384	0.8%
<b>Total</b>			<b>12,800,000</b>	<b>100.0%</b>

Registered shareholders and shares	Registered shareholders		Registered shares	
	Number	Percentage	Number	Percentage
Switzerland	437	93.6%	11,821,362	98.2%
Europe (excluding Switzerland)	25	5.3%	200,804	1.7%
North America	4	0.9%	4,539	0.0%
Other countries	1	0.2%	19,506	0.2%
<b>Total</b>	<b>467</b>	<b>100.0%</b>	<b>12,046,211</b>	<b>100.0%</b>

Natural persons	312	66.7%	10,288,119	84.7%
Legal persons	155	33.3%	1,758,092	15.3%
<b>Total</b>	<b>467</b>	<b>100.0%</b>	<b>12,046,211</b>	<b>100.0%</b>

1 – 1,000	321	68.6%	97,183	0.8%
1,001 – 10,000	98	20.9%	406,755	3.4%
10,001 – 100,000	45	9.8%	1,331,973	11.8%
100,001 and over	3	0.6%	10,210,300	84.1%
<b>Total</b>	<b>467</b>	<b>100.0%</b>	<b>12,046,211</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 2018, 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 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."

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

"The share capital according to article 3 may be increased by the issuance of up to 1,280,000 fully paid-in registered shares with a nominal value of CHF 0.10 each, up to CHF 128,000, by means of the exercise of conversion rights and/or warrants granted in connection with newly or already issued bonds or similar debt instruments of the Company or its Group companies to company creditors and/or investors.

The pre-emptive rights of the shareholders are excluded. The acquisition of shares issued based on this article by exercise of warrants or convertible rights is subject to the transfer restrictions according to article 5 of the Articles of Association.

The Board of Directors may limit or withdraw the advance subscription right of the shareholders regarding conversion rights and/or warrants which entitle the shareholders to subscribe for shares according to this provision of the Articles of Association, if the financial instruments are issued for the purpose of:

- a) acquiring or financing the acquisition of real estate by the Company or a group company;
- b) acquiring or financing the acquisition of companies, parts of companies or participations in companies by the Company or a group company;
- c) issuing convertible and/or warrant bonds for placement on national or international capital markets to strategically broaden the circle of investors, including placement with one or more strategic investors.

The following shall apply for all conversion rights and warrants that, pursuant to the resolutions of the Board of Directors, have not been offered first to the shareholders for subscription:

- a) warrants entitling to the subscription of shares shall be exercisable for a period of up to seven years and conversion rights for a period of up to ten years as of the issuance of the relevant bond or similar debt instrument; and
- b) the Board of Directors shall set the exercise price at market conditions."

The Articles of Association, containing the precise wording of the provision mentioned above, 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 2018, 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 treasury shares are entitled to dividends. 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, 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. As at 31 December 2018, 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).

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, 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	2019
Albert Baehny	1952	Swiss	Vice-Chairman and Chairman of the Compensation Committee	2016	2019
Thomas Vettiger	1965	Swiss	Member and Chairman of the Audit Committee	2016	2019
Stéphane Bonvin	1967	Swiss	Member	2016 <sup>*)</sup>	2019

\*) 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 on the Investis website.

<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 Basel

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 ist Chairman the Board of Directors of Lonza Group Ltd. He is also Chairman of the Board of Directors of Geberit AG. 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 Serono-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 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, 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. They were resolved upon and entered into force on 16 June 2016.  
<https://www.investisgroup.com/nc/en/investors/#c1386>

### 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, can be found on the 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. <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 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 meets 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.

The Committees meet as often as required. The Audit Committee meets at least three times a year and the Compensation Committee 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.

## MEETINGS: ATTENDANCE 2018

Board member	#of BoD meetings	#of BoD calls	#of AC meetings/calls	#of NCC meetings/calls
Riccardo Boscardin	5	2	4	4
Albert Baehny	5	0		4
Thomas Vettiger	5	2	4	
Stéphane Bonvin	5	2		
<b>Total</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>4</b>
<b>Meetings held in reporting period</b>		<b>7</b>	<b>4</b>	<b>4</b>
<b>Average length of meetings (in hours)</b>	<b>5</b>	<b>0.8</b>	<b>4.5</b>	<b>2.5</b>

### 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, 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, 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 business 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 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 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 Board of Directors is informed directly, the CEO and the CFO regularly attend meetings of the Board of Directors, though not if the Board or its committees need to conduct a closed session. The CEO attends all meetings of the Compensation Committee. The CFO attends all meetings of the Audit Committee. 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. Dieter Sommer is a member of the steering committee of SVIT (Swiss Association of Real Estate Economy – for both Basle Section) as well as a member of the advisory council for the KTI Project (Digital Leadership) at HWZ (Hochschule für Wirtschaft Zürich)



**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 Hauswartprofis AG since 2009, a subsidiary of Investis since 1 January 2017. 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](#).

<https://www.investisgroup.com/en/profile/#c1015>

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

**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, 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, 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 6 p.m. two working days 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.

## CONVOCAATION 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 shares with a nominal value of CHF 1 million or 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).

<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 2018, 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 Articles 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 0.32 million during fiscal year 2018 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 0.31 million).

### ADDITIONAL FEES

For the 2018 reporting period, PricewaterhouseCoopers invoiced CHF 0.14 million in additional fees (prior year CHF 0.12 million). 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 2018 is the third 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. These releases are always published in three languages, i.e. English, German and French.

<https://www.investisgroup.com/nc/en/media/>

Following its listing, Investis has created an archive on its website containing all published reports, presentations and other relevant published communications.

<https://www.investisgroup.com/nc/en/investors/#c1377>

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

- conference calls around the publication of its full and half-year results or other information updates;
- meetings with investors and analysts, either individually or in groups on roadshows in key financial centres;
- 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.

<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.

<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 2019

Financial year close	31 December 2018
2018 annual results published	28 March
Annual Report published	28 March
Annual General Meeting	29 April
Dividend paid to banks (value date)	6 May
First half-year close	30 June
2019 Half-year results published	29 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 2018. 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 2018 has been reviewed and audited by the Company's auditors and will be submitted to the 2019 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, 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, 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 70% of the total compensation. The fixed compensation is entirely paid in cash.

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

The variable component fluctuates between 30 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	
60-70% OF COMPENSATION FIXED COMPONENT	30-40% OF COMPENSATION VARIABLE COMPONENT		
	1/3	1/3	1/3
	TARGET «G»	TARGET «O»	TARGET «N»
		2/3	1/3
	1	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 (2/3) related to the achievement of the budgeted financial targets that the respective member of the Executive Board is responsible for; and

- partly (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.

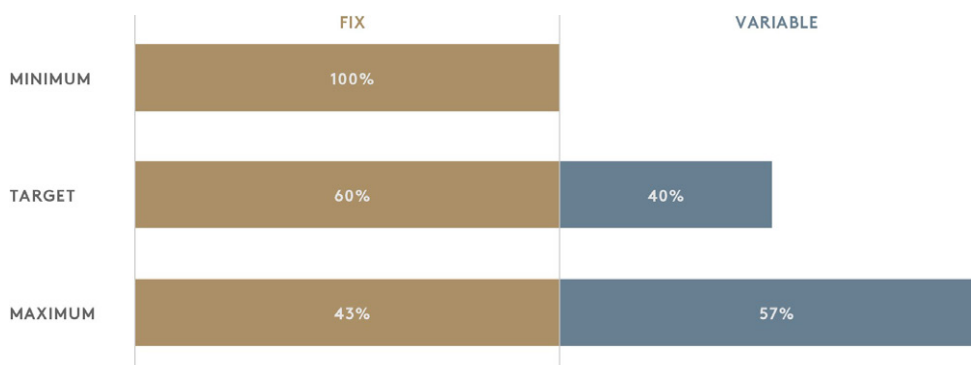
**Component N** is related to the achievement of the financial targets budgeted at the Investis Group level, i.e. that the entire Executive Board is responsible for.

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, 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, 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, can be found on the Investis website.

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

#### **4.7 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 2018, 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 approval period up to the 2019 Annual General Meeting maximum total compensation of CHF 0.5 million was approved by the General Meeting of 20 April 2018 for the compensation of the Board of Directors.

The following table sets out the aggregate compensation granted to the Board of Directors for 2018 and 2017, as well as the compensation granted to the individual members of the Board of Directors.

## Compensation of the Board of Directors in detail for 2018 and 2017:

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	CHF 1,000
<b>2018</b>						
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	80	2,009	105	13	198
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	40	1,004	52	7	99
Thomas Vettiger	Member and Chairman of the Audit Committee	40	1,004	52	7	99
Stéphane Bonvin <sup>3)</sup>	Member	0	0	0	0	0
<b>Total compensation 2018</b>		<b>160</b>	<b>4,017</b>	<b>209</b>	<b>27</b>	<b>396</b>
<b>2017</b>						
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	80	1,822	96	13	189
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	40	911	48	7	94
Thomas Vettiger	Member and Chairman of the Audit Committee	40	911	48	7	94
Stéphane Bonvin <sup>3)</sup>	Member	0	0	0	0	0
<b>Total compensation 2017</b>		<b>160</b>	<b>3,644</b>	<b>192</b>	<b>26</b>	<b>378</b>

- 1) The shares were valued at a market value of CHF 51.89 as per 31.12.2018 (2017: CHF 52.60). 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 39.83 (2017: CHF 43.90). The latter was calculated with the base price of CHF 61.27 (2017: CHF 58.53). 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 2018 or 2017 respectively.
- 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.

### 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 2018 and 2017 as well as the compensation granted to the individual member of the Executive Board who received the highest remuneration in 2018 and in 2017. For the year 2018, the shareholders' meeting has approved a maximum total compensation for the members of the Executive Board in the amount of CHF 4.2 million (2017: CHF 4.0 million i.e. 4 members for 9 months).

	Executive Board	of which: Stéphane Bonvin (CEO)
	CHF 1,000	CHF 1,000
<b>2018</b>		
Basic cash compensation (fixed)	1,395	455
Variable compensation		
- in cash <sup>1)</sup>	339	137
- in shares <sup>2)</sup>	442	178
Pension fund contribution	202	69
Social security contributions	197	73
Other <sup>3)</sup>	24	4
<b>Total compensation 2018</b>	<b>2,599</b>	<b>916</b>
<b>2017 <sup>4)</sup></b>		
Basic cash compensation (fixed)	1,339	455
Variable compensation		
- in cash <sup>1)</sup>	383	173
- in shares <sup>2)</sup>	460	207
Pension fund contribution	188	69
Social security contributions	203	86
Other <sup>3)</sup>	20	4
<b>Total compensation 2017</b>	<b>2,593</b>	<b>994</b>

- 1) In the financial year 2018 the targets attained led to an achievement ratio between 71-91%, for the financial year 2017 between 102-141%.
- 2) The members of the Executive Board were assigned 8,516 shares for 2018 (2017: 8,738). These shares were valued at a market value of CHF 51.89 as per 31.12.2018 (CHF 52.60 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 39.83 (2017: CHF 43.90). The latter was calculated with the base price of CHF 61.27 (2017: CHF 58.53). 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 2018 or 2017 respectively.
- 3) Allowances in connection with Company car entitlements
- 4) 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).

No remuneration was paid in 2018 or 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, 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 2018 the Group had no outstanding loan to a related party (prior year CHF 15 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 2018 the Group had no outstanding loan to a related party (prior year CHF 15 million).

## 6. SHARE OWNERSHIP

### Members of the Board of Directors

(non-executive)

As at 31 December 2018 the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

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

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>

### Members of the Executive Board

(including the executive member of the Board of Directors)

As at 31 December 2018 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 2018	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	9,860,021	77.0
René Häsler	Chief Financial Officer	13,310	0.1
Walter Eberle	Head Facility Services	10,512	0.1
Dieter Sommer	Head Property Management	1,315	<0.1
<b>Total</b>		<b>9,885,158</b>	<b>77.2</b>

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.

## 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 2018. 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 63 to 67 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 2018 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Oliver Kuntze

Audit expert  
Auditor in charge



Marc Zurflüh

Audit expert

Bern, 27 March 2019

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## CONSOLIDATED INCOME STATEMENT

In CHF 1,000	Note	2018	2017
Revenue	2, 3	197,491	189,987
Direct expenses	2	-24,514	-21,863
Personnel expenses	2, 4	-108,582	-106,108
Other operating expenses	2, 5	-24,672	-24,706
<b>Operating profit before revaluations, disposal of properties, depreciation and amortisation</b>		<b>39,724</b>	<b>37,311</b>
Income from revaluations	12	24,157	24,953
Income from disposal of properties	6	12,770	696
<b>Operating profit before depreciation and amortisation</b>		<b>76,651</b>	<b>62,959</b>
Depreciation and amortisation	13	-2,076	-2,088
<b>Operating profit (EBIT)</b>		<b>74,575</b>	<b>60,871</b>
Financial income		116	623
Financial expenses		-3,939	-4,060
<b>Financial result</b>	<b>7</b>	<b>-3,823</b>	<b>-3,437</b>
<b>Profit before taxes</b>		<b>70,752</b>	<b>57,434</b>
Income taxes	8	-16,376	170
<b>Net profit</b>		<b>54,376</b>	<b>57,604</b>
Of which attributable to Investis Holding SA shareholders		54,331	57,456
Of which attributable to non-controlling interests		45	148
Earnings per share in CHF (basic/diluted)	9	4.27	4.49

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

## CONSOLIDATED BALANCE SHEET

In CHF 1,000	Note	31.12.2018	31.12.2017
Cash and cash equivalents		33,245	50,539
Securities		-	4,066
Trade receivables	10	17,271	14,516
Other receivables		2,261	17,847
Properties held for sale	11	69,476	35,805
Prepaid expenses and accrued income		9,127	4,333
<b>Total current assets</b>		<b>131,380</b>	<b>127,105</b>
Investment properties	12	1,275,746	1,084,912
Tangible fixed assets	13	4,950	5,207
Intangible assets	13	1,997	1,335
Financial assets of related parties	15	-	15,000
Other financial assets	15	9,464	4,582
Deferred tax assets	19	116	81
<b>Total non-current assets</b>		<b>1,292,273</b>	<b>1,111,117</b>
<b>Total assets</b>		<b>1,423,653</b>	<b>1,238,222</b>
Current financial liabilities	17	163,480	11,692
Trade payables		15,277	4,417
Other liabilities	16	55,713	43,984
Accrued expenses and deferred income		35,531	17,417
<b>Total current liabilities</b>		<b>270,001</b>	<b>77,511</b>
Mortgages	17	2,151	9,665
Bonds	17	380,000	420,000
Other non-current financial liabilities	17	4,001	4,916
Provisions	18	1,349	2,164
Deferred tax liabilities	19	177,639	154,977
<b>Total non-current liabilities</b>		<b>565,141</b>	<b>591,723</b>
<b>Total liabilities</b>		<b>835,142</b>	<b>669,233</b>
Share capital	20	1,280	1,280
Capital reserves	20	80,661	110,777
Treasury shares	20	-5,936	-1,135
Retained earnings		511,343	457,080
<b>Equity attributable to the shareholders of Investis Holding SA</b>		<b>587,348</b>	<b>568,002</b>
<b>Non-controlling interests</b>		<b>1,163</b>	<b>987</b>
<b>Total shareholders' equity</b>		<b>588,511</b>	<b>568,989</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,423,653</b>	<b>1,238,222</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	2018	2017
<b>Cash flow from operating activities</b>			
Net profit		54,376	57,604
Financial result and income taxes		20,199	3,267
<b>Operating profit (EBIT)</b>		<b>74,575</b>	<b>60,871</b>
Income from revaluations	12	-24,157	-24,953
Depreciation and amortisation	13	2,076	2,088
Income from disposal of properties	6	-12,770	-696
Other non-cash items		-809	-499
Changes in net working capital			
Trade receivables		-2,931	805
Other receivables and prepaid expenses		-5,317	-13,326
Properties held for sale		-16,394	-3,672
Trade payables		10,914	306
Other liabilities and accrued expenses		27,477	15,105
Income taxes paid		-4,998	-7,633
<b>Net cash from operating activities (cash flow)</b>		<b>47,666</b>	<b>28,397</b>
<b>Cash flow from investing activities</b>			
Investments in investment properties	12	-76,882	-31,849
Disposal of investment properties		13,687	11,828
Purchase of tangible fixed assets and intangible assets	13	-2,321	-3,401
Disposal of tangible fixed assets and intangible assets		45	1,650
Acquisition of subsidiaries, net of cash acquired	1	-105,478	-84,228
Disposal of subsidiaries, net of cash disposed	1	22,683	-
Repayment of loans to related parties	23	15,000	15,000
Increase of financial assets		-5,196	-3,772
Disposal of securities		4,095	1,034
Interest received		56	53
<b>Net cash used in investing activities</b>		<b>-134,312</b>	<b>-93,683</b>
<b>Cash flow from financing activities</b>			
Increase of financial liabilities, net		8,359	-216,093
Bond issuance		99,647	319,222
Distribution to shareholders		-30,062	-30,080
Distribution to non-controlling interests		-117	-117
Purchase of treasury shares	20	-5,504	-1,135
Premature settlement of derivative financial instruments		-	-6,250
Interest paid		-2,972	-2,663
<b>Net cash from financing activities</b>		<b>69,352</b>	<b>62,885</b>
<b>Net change in cash and cash equivalents</b>		<b>-17,293</b>	<b>-2,401</b>
Cash and cash equivalents at beginning of period		50,539	52,940
<b>Cash and cash equivalents at end of period</b>		<b>33,245</b>	<b>50,539</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 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
Equity as at 1 January 2018	1,280	110,777	-1,135	-65,977	523,057	568,002	987	568,989
Net profit					54,331	54,331	45	54,376
Distribution to shareholders		-30,062				-30,062	-117	-30,179
Purchase of treasury shares			-5,504			-5,504		-5,504
Use of treasury shares		-54	703			649		649
Changes in scope of consolidation				-36	-31	-67	247	180
Equity as at 31 December 2018	1,280	80,661	-5,936	-66,013	577,357	587,348	1,163	588,511

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 2018, 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.

#### 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, cash flows 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 2018 and drawn up 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 1](#).

## 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 and valued at cost.

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 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.

Properties reclassified from investment properties under construction (non-current assets, valued at fair value) are subsequently valued at the lower of this value (including construction costs after reclassification) or fair value.

## 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 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**

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 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

Investis has no derivative financial instruments outstanding at the balance sheet date.

## 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 23.

## 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.

## Contingent liabilities and other obligations

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. ACQUISITIONS AND DISPOSALS OF CONSOLIDATED COMPANIES

In CHF 1,000	2018			2017			
	Acquisitions	Disposals	Acquisitions	Disposals	Disposals	Acquisitions	
	Société d'investissements immobiliers SII SA	Others	Total	Total	Hauswartprofis	Others	Total
Cash and cash equivalents	106	406	512	100	5,942	689	6,630
Trade and other current receivables	19	158	178	370	899	181	1,080
Investment properties and properties held for sale	130,616	5,474	136,090	18,900	-	90,750	90,750
Fixed assets	-	210	210	-	1,223	-	1,223
Financial assets	-	6	6	-	-	30	30
Trade and other current liabilities	-1,754	-225	-1,980	-228	-1,877	-2,052	-3,930
Non-current liabilities	-22,357	-906	-23,263	-1,388	-286	-24,454	-24,740
<b>Net assets acquired/disposed of</b>	<b>106,630</b>	<b>5,124</b>	<b>111,753</b>	<b>17,754</b>	<b>5,900</b>	<b>65,144</b>	<b>71,044</b>
Goodwill (recognised in equity)	-	36	36	-	14,720	95	14,814
Recognised income from disposal of properties				6,529			
Purchase/selling price	106,630	5,160	111,790	-24,283	20,619	65,239	85,858
Cash and cash equivalents acquired/disposed of	-106	-406	-512	100	-5,942	-689	-6,630
Purchase price consideration paid/received in prior years	-10,800	-	-10,800	1,500	-	-	-
Purchase price consideration for acquisitions in prior years			5,000				5,000
<b>Cash outflow on acquisitions</b>			<b>105,478</b>				<b>84,228</b>
<b>Cash inflow from disposals</b>				<b>-22,683</b>			

### TRANSACTIONS IN 2018

On 1 February 2018, Investis Properties SA acquired 100% of the shares in the real estate company Société d'investissements immobiliers SII SA, Geneva, and merged it into the acquiring company.

On 1 February 2018, 100% of the shares in Domus Flavia Investments AG, Geneva, were sold.

On 3 July 2018, Investis Properties SA acquired 100% of the shares in the real estate company Carmat S.A., Lausanne.

On 23 August 2018, Investis Investments SA increased its shareholding in the company La Foncière de la Dixence SA from 75% to 83%.

On 28 August 2018, 100% of the shares in Hotel Investissements et Management SA, Fribourg, were sold.

On 20 November 2018, Investis Investments SA acquired 60% of the shares in the company C.T. Creative Technologies SA, Martigny. The company provides services in the area of property management software solutions.

### NON-CASH EFFECTS IN 2018

With the signing of the purchase price agreement for the acquisition of Société d'investissements immobiliers SII SA, Geneva, a deposit of CHF 10.8 million was paid in December 2017. As the transaction was completed only in February 2018, the corresponding cash outflow was reported as increase in other receivables in the net cash from operating activities (cash flow) in the Annual Financial Statements 2017.

With the signing of the purchase price agreement for the sale of Domus Flavia Investment AG, Geneva, a deposit of CHF 1.5 million was received in December 2017. As the transaction was completed only in February 2018, the corresponding cash inflow was reported as increase in other payables in the net cash from operating activities (cash flow) in the Annual Financial Statements 2017.

### GROUP INTERNAL MERGERS IN 2018

As at 1 January 2018 following Group companies were merged:

- Casamar AG, Geneva, Jalu SA, Lens, Investis Patrimoine SA, Lens, Les Résidences Privées SA, Lens, Parallax SA, Geneva, Serge Spaggiari SA, Perly-Certoux, Transimo SA, Fribourg, and WEGRA Holding AG, Auenstein, were merged into Investis Properties SA, Lens.
- Hauswartprofis Baar GmbH, Baar, Hauswartprofis Mägenwil AG, Mägenwil, Hauswartprofis ZH AG, Dübendorf, and Treos AG, Volketswil, were merged into hauswartprofis AG, Mägenwil.
- Minas-Tirith SA, Wollerau, was merged into Investis Investments SA, Lens.

### 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.

## 2. SEGMENT REPORTING

### SEGMENT INFORMATION 2018

In CHF 1,000	Properties	Real Estate Services	Corporate	Eliminations	Investis Group
Revenue <sup>1)</sup>	54,983	147,832	-	-5,324	197,491
Direct expenses	-16,504	-13,320	-	5,311	-24,514
Personnel expenses	-1,357	-103,853	-3,372	-	-108,582
Other operating expenses	-2,169	-21,085	-1,431	14	-24,672
<b>Operating profit before revaluations, disposal of properties, depreciation and amortisation</b>	<b>34,953</b>	<b>9,574</b>	<b>-4,803</b>	<b>0</b>	<b>39,724</b>
Income from revaluations	24,157				24,157
Income from disposal of properties	12,770				12,770
<b>Operating profit before depreciation and amortisation</b>	<b>71,880</b>	<b>9,574</b>	<b>-4,803</b>	<b>0</b>	<b>76,651</b>
Depreciation and amortisation	-16	-1,872	-187	-	-2,076
<b>Operating profit (EBIT)</b>	<b>71,864</b>	<b>7,701</b>	<b>-4,990</b>	<b>0</b>	<b>74,575</b>
<b>Total segment assets as at 31 December 2018 <sup>2)</sup></b>	<b>1,357,418</b>	<b>56,170</b>	<b>21,151</b>	<b>-11,086</b>	<b>1,423,653</b>
<b>Total segment liabilities as at 31 December 2018 <sup>2)</sup></b>	<b>48,593</b>	<b>28,880</b>	<b>768,754</b>	<b>-11,086</b>	<b>835,142</b>
Headcount as at 31 December 2018	10	1,368	13		1,391
FTE as at 31 December 2018	9	1,154	11		1,175
FTE (full-time equivalent, average over the period)	9	1,149	11		1,169

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 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 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 properties	696				696
<b>Operating profit before depreciation and amortisation</b>	<b>58,042</b>	<b>9,740</b>	<b>-4,823</b>	<b>0</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>0</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.

### 3. 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 1,000	Annualised rental income	
	31.12.2018	31.12.2017
Less than one year	102	492
1–5 years	2,585	3,109
More than 5 years	1,600	1,631

#### MOST IMPORTANT TENANTS

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

- As of 31.12.2018: 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 31.12.2017: Hospice Général, Permanent Mission of India to the UN in Geneva, Valotel Management (Fribourg) Sàrl, Valotel Management (Rothrist) AG and Valotel Management (Sion) SA

Share of annualised rental income (%)	31.12.2018	31.12.2017
Most important tenant	1.4%	1.5%
Second to fifth most important tenants	3.3%	3.1%
Five most important tenants	4.7%	4.6%

### 4. PERSONNEL EXPENSES

In CHF 1,000	2018	2017
Wages and salaries	89,519	88,100
Share-based compensation	651	652
Social security expenses	9,792	9,668
Pension benefit expenses	5,146	5,271
Other personnel expenses	3,474	2,416
<b>Total personnel expenses</b>	<b>108,582</b>	<b>106,108</b>

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



## 5. OTHER OPERATING EXPENSES

In CHF 1,000	2018	2017
Rent and utilities	7,259	6,983
Administrative expenses	12,990	12,997
Other operating expenses	4,423	4,726
<b>Total other operating expenses</b>	<b>24,672</b>	<b>24,706</b>

## 6. INCOME FROM DISPOSAL OF PROPERTIES

In CHF 1,000	2018	2017
Sales proceeds, net	53,996	23,346
Investment costs	-45,683	-20,366
<b>Gross profit from disposal of properties</b>	<b>8,312</b>	<b>2,980</b>
Accumulated valuation losses	4,458	-2,284
<b>Total profit on disposal of properties</b>	<b>12,770</b>	<b>696</b>
Of which profits on disposal of properties held for sale	5,806	135
Of which profits on disposal of residential properties	396	178
Of which profits on disposal of commercial properties	6,568	384

For details of the properties sold see [Note 11](#) and [Note 12](#).

## 7. FINANCIAL RESULT

In CHF 1,000	2018	2017
Interest income	56	53
Share of results of associates	-	125
Other financial income	60	445
<b>Total financial income</b>	<b>116</b>	<b>623</b>
Interest expenses	-2,978	-2,663
Share of results of associates	-423	-
Other financial expenses	-539	-1,397
<b>Total financial expenses</b>	<b>-3,939</b>	<b>-4,060</b>
<b>Total financial result</b>	<b>-3,823</b>	<b>-3,437</b>

In 2018, other financial expenses include CHF 0.4 million (2017: CHF 0.8 million) for the issuance of bonds and CHF 0 million (2017: CHF 0.6 million) for unrealised losses on securities.

## 8. INCOME TAXES

In CHF 1,000	2018	2017
Current income taxes	15,388	2,193
Deferred income taxes	989	-2,364
<b>Total income taxes</b>	<b>16,376</b>	<b>-170</b>

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	2018	2017
Profit before taxes	70,752	57,434
Expected Group tax rate	23%	23%
<b>Expected income taxes</b>	<b>16,273</b>	<b>13,210</b>
Non-deductible expenses	195	265
Tax-free income	-21	-27
Use of non-capitalised tax losses carried forward	-644	-974
Non-capitalisable tax losses for the period	105	207
Expenses/income which are taxed at a lower/higher tax rate	-135	-477
Impact of changes in tax rate on deferred tax items recognised	-	-12,318
Tax effects for prior periods	603	-57
<b>Effective income tax charge</b>	<b>16,376</b>	<b>-170</b>
Effective tax rate	23%	-0%

Deferred income taxes are calculated for each subsidiary using the local tax rates. In 2018, the non-capitalised tax assets from losses carried forward decreased from CHF 1.0 million in 2017 to CHF 0.5 million. Deferred income tax assets relate to deferred income taxes on temporary differences. Accrued expenses and other liabilities include accrued taxes of CHF 5.8 million (2017: CHF 0.7 million). 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.

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 in the Canton of Vaud at 13.79% as from 1 January 2019.

## 9. 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. For both periods under review there were no dilutive effects.

### WEIGHTED AVERAGE NUMBER OF SHARES

	2018	2017
Shares issued as at 1 January	12,800,000	12,800,000
Effects of change in holdings of treasury shares	-67,813	-2,969
<b>Weighted average number of shares as at 31 December</b>	<b>12,732,187</b>	<b>12,797,031</b>

### EARNINGS PER SHARE

		2018	2017
Net profit attributable to Investis Holding SA shareholders	in CHF 1,000	54,331	57,456
Weighted average number of shares		12,732,187	12,797,031
<b>Earnings per share (basic/diluted)</b>	<b>in CHF</b>	<b>4.27</b>	<b>4.49</b>

### NET ASSET VALUE PER SHARE

		31.12.2018	31.12.2017
Equity attributable to the shareholders of Investis Holding SA	in CHF 1,000	587,348	568,002
Number of shares		12,800,000	12,800,000
<b>NAV per share (basic/diluted)</b>	<b>in CHF</b>	<b>45.89</b>	<b>44.38</b>

### NET ASSET VALUE PER SHARE EXCLUDING DEFERRED TAXES WITH REGARD TO PROPERTIES

		31.12.2018	31.12.2017
Equity attributable to the shareholders of Investis Holding SA	in CHF 1,000	587,348	568,002
Deferred taxes with regard to properties		175,447	147,625
<b>Net asset value excluding deferred taxes with regard to properties</b>		<b>762,795</b>	<b>715,626</b>
Number of shares		12,800,000	12,800,000
<b>NAV per share excluding deferred taxes with regard to properties (basic/diluted)</b>	<b>in CHF</b>	<b>59.59</b>	<b>55.91</b>

## 10. TRADE RECEIVABLES

In CHF 1,000	31.12.2018	31.12.2017
Trade receivables	17,293	14,442
Receivables from property accounts	1,086	970
Receivables from related parties	139	530
Provision for doubtful debts	-1,248	-1,427
<b>Total trade receivables</b>	<b>17,271</b>	<b>14,516</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.

## 11. PROPERTIES HELD FOR SALE

In CHF 1,000	2018	2017
Acquisition costs as at 1 January	35,805	18,141
Changes in scope of consolidation	7,850	6,529
Increases	28,601	15,172
Capitalisation of borrowing costs	-	19
Disposals	-9,063	-11,383
Reclassifications	6,283	7,328
<b>Acquisition costs as at 31 December</b>	<b>69,476</b>	<b>35,805</b>

In 2018, the two properties “Rue de Zurich 35” in Geneva and “Rue du Vieux-Chêne 20–22” in Chêne-Bougeries were acquired as part of the takeover of Société d’investissements immobiliers SII SA with the intention to resale. The increases relate to ongoing construction activities of the properties “Saanen”, “Hérémence” and “Chemin des Chantres 8” in St.-Sulpice. The properties “Rue de Zurich 35”, “Rue du Vieux-Chêne 20–22”, one apartment in the jointly held (50%) property “Rue du Prado 19” in Lens and one apartment of “Hérémence” were sold. The property “Chemin des Chantres 8” was reclassified from investment properties under construction and the property “Route de Crans 87a” in Lens was reclassified from residential properties.

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 Hérémence.

## 12. 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 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>
<b>Market value as at 1 January 2018</b>	<b>940,629</b>	<b>127,784</b>	<b>14,826</b>	<b>1,673</b>	<b>1,084,912</b>
Acquisition costs as at 1 January 2018	405,432	115,999	14,701	1,673	537,804
Changes in scope of consolidation	128,240	-19,939	-	-	108,301
Increases	60,139	1,489	15,254	-	76,882
Disposals	-8,033	-7,388	-1,261	-	-16,682
Reclassifications	-2,536	-	-3,621	-	-6,157
<b>Acquisition costs as at 31 December 2018</b>	<b>583,242</b>	<b>90,162</b>	<b>25,073</b>	<b>1,673</b>	<b>700,149</b>
Revaluation as at 1 January 2018	535,197	11,785	126	-	547,108
Gains on valuations	32,395	552	-	-	32,947
Losses on valuations	-5,655	-3,135	-	-	-8,790
Disposals	1,092	2,327	-	-	3,419
Changes in scope of consolidation	-	1,039	-	-	1,039
Reclassifications	-	-	-126	-	-126
<b>Revaluation as at 31 December 2018</b>	<b>563,029</b>	<b>12,567</b>	<b>-</b>	<b>-</b>	<b>575,597</b>
<b>Market value as at 31 December 2018</b>	<b>1,146,271</b>	<b>102,729</b>	<b>25,073</b>	<b>1,673</b>	<b>1,275,746</b>

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

In 2018, one residential property (Route de Pliany 16–18 in Crans-Montana), one commercial property (Chemin Lambien in Sion) and one property under construction (Route du Lac in Granges-Paccot) were sold. Additionally, the consolidated Group company “Domus Flavia Investments AG” and with it one commercial property (Rue Peillonex 39 in Chêne-Bourg) was disposed.

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.

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

### 13. TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

In CHF 1,000	Tangible fixed assets	Intangible assets
<b>Net carrying amount as at 1 January 2017</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	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>
Acquisition costs as at 1 January 2018	11,855	4,390
Changes in scope of consolidation	11	263
Additions	1,317	1,004
Disposals	-775	-88
<b>Acquisition costs as at 31 December 2018</b>	<b>12,408</b>	<b>5,569</b>
Accumulated depreciation/amortisation as at 1 January 2018	6,647	3,055
Changes in scope of consolidation	3	61
Depreciation/amortisation	1,543	533
Disposals	-736	-77
<b>Accumulated depreciation/amortisation as at 31 December 2018</b>	<b>7,458</b>	<b>3,572</b>
<b>Net carrying amount as at 31 December 2018</b>	<b>4,950</b>	<b>1,997</b>

All intangible assets were acquired.

## 14. 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	2018	2017
<b>Acquisition costs</b>		
Acquisition costs as at 1 January	65,977	51,163
Additions	36	14,814
<b>Acquisition costs as at 31 December</b>	<b>66,013</b>	<b>65,977</b>
Accumulated amortisation as at 1 January	40,011	28,308
Amortisation for the period	11,519	11,704
<b>Accumulated amortisation as at 31 December</b>	<b>51,531</b>	<b>40,011</b>
<b>Theoretical values as at 31 December</b>	<b>14,483</b>	<b>25,966</b>

### EFFECT ON CONSOLIDATED INCOME STATEMENT

In CHF 1,000	2018	2017
Net profit as per financial statements	54,376	57,604
Amortisation of goodwill	-11,519	-11,704
<b>Theoretical net profit including goodwill amortisation</b>	<b>42,857</b>	<b>45,900</b>

### EFFECT ON CONSOLIDATED BALANCE SHEET

In CHF 1,000	31.12.2018	31.12.2017
<b>Equity</b>		
Equity as per financial statements	588,511	568,989
Theoretical value of goodwill	14,483	25,966
<b>Theoretical equity when reporting goodwill</b>	<b>602,994</b>	<b>594,955</b>

## 15. NON-CURRENT FINANCIAL ASSETS

In CHF 1,000	31.12.2018	31.12.2017
Financial assets of related parties	-	15,000
<b>Total financial assets of related parties</b>	<b>-</b>	<b>15,000</b>
Investments in associates <sup>1)</sup>	4,675	3,648
Other financial assets	4,789	934
<b>Total other financial assets</b>	<b>9,464</b>	<b>4,582</b>
<b>Total non-current financial assets</b>	<b>9,464</b>	<b>19,582</b>

1) Including goodwill arising from the acquisition in the amount of CHF 4.0 million (2017: CHF 3.0 million) which was recognised as part of the investment in associates.

On 1 March 2018, Investis Investments SA has taken a 28.6% equity stake in PropTech Partners SA (Neho), a start-up company based at the EPFL (Federal Institute of Technology Lausanne). Through its minority stake in Polytech Ventures Holding SA, Investis Investments SA was already indirectly invested in the company and is at balance sheet date the beneficial owner of 40% of this company.

On 27 April 2018, Investis Investments SA acquired a 40% shareholding in YetiVisit SA, in Bulle. This start-up company is working in the field of digital real estate services.

On 26 April 2018, Investis Investments SA acquired a 10.7% shareholding in Lausanne-based Vanguard Internet SA, which offers digital facility services under the “Batmaid” brand.

On 4 June 2018, Investis Investments SA has purchased 10.8% of the share capital of Flatfox AG, a Zurich-based start-up company active in the field of digital services for property management.

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 23](#).

## 16. OTHER LIABILITIES

In CHF 1,000	31.12.2018	31.12.2017
Liabilities from property accounts	33,424	23,773
Others	22,289	20,211
<b>Total other liabilities</b>	<b>55,713</b>	<b>43,984</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.



## 17. FINANCIAL LIABILITIES

In CHF 1,000	31.12.2018	31.12.2017
Amortisation obligations on mortgages	-	160
Loans from third parties	-	5,000
Current mortgages	23,480	6,532
Current bonds	140,000	-
<b>Current financial liabilities</b>	<b>163,480</b>	<b>11,692</b>
Mortgages	2,151	9,665
Bonds	380,000	420,000
Loans from third parties	4,001	4,916
<b>Non-current financial liabilities</b>	<b>386,153</b>	<b>434,581</b>
<b>Total financial liabilities</b>	<b>549,633</b>	<b>446,273</b>

Mortgages and bonds due for repayment within the next twelve months are reported under current financial liabilities.

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

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.

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

ISIN	CH 033 764 551 6	CH 035 259 586 9 <sup>1)</sup>	CH 036 153 322 4	CH 037 347 679 2
Trading currency	CHF	CHF	CHF	CHF
Issuing volume	100 million	140 million	180 million	100 million
Listing	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Coupon	0.55%	0.25%	0.75%	0.35%
Tenor	5 years	2 years	5 years	2 years
Payment date	15 November 2016	14 February 2017	3 October 2017	12 June 2018
Redemption date	15 November 2021	14 February 2019	3 October 2022	12 June 2020

1) Refinanced with a coupon of 0.773% for a tenor of 2 years (14 February 2019 – 15 February 2021).

Properties in the amount of CHF 233.7 million (31.12.2017: CHF 245.3 million) were pledged to secure mortgages and available credit lines. Unused credit lines totalled CHF 171 million at 31 December 2018 (31.12.2017: CHF 201 million).

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

In CHF 1,000	31.12.2018	31.12.2017
Rollover mortgages	18,400	2,594
Due within the first year	145,080	6,532
Due within the second year	102,151	145,080
Due within the third year	100,000	2,151
Due within the fourth year	180,000	100,000
Due within the fifth year and beyond	-	180,000
<b>Total mortgages and bonds</b>	<b>545,631</b>	<b>436,357</b>
Loans from third parties <sup>1)</sup>	4,001	9,916
<b>Total other financial liabilities</b>	<b>4,001</b>	<b>9,916</b>
<b>Total financial liabilities</b>	<b>549,633</b>	<b>446,273</b>

- 1) Loans from third parties as at 31 December 2018 have no fixed maturity and are interest-free. As at 31 December 2017, they included an unsettled purchase price consideration for the Privera Group acquisition (September 2014) of CHF 5 million, which was interest-free and amortised annually by CHF 5 million, for the last time in 2018.

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

In CHF 1,000	Interest rates as at 31.12.2018	31.12.2018	31.12.2017
Up to one year		165,631	16,357
Up to 2 years		100,000	140,000
Up to 3 years		100,000	-
Up to 4 years		180,000	100,000
Up to 5 years and beyond		-	180,000
<b>Total mortgages and bonds</b>	<b>0.25%–0.73%</b>	<b>545,631</b>	<b>436,357</b>
Loans from third parties		4,001	9,916
<b>Total other financial liabilities</b>	<b>0.0%</b>	<b>4,001</b>	<b>9,916</b>
<b>Total financial liabilities</b>		<b>549,633</b>	<b>446,273</b>

The weighted average interest rate for all mortgages and bonds amounted to 0.5% (2017: 0.7%).

## 18. PROVISIONS

In CHF 1,000	2018	2017
Provisions as at 1 January	2,164	2,091
Changes in scope of consolidation	-	255
Increase	96	222
Use	-178	-33
Release	-732	-372
<b>Provisions as at 31 December</b>	<b>1,349</b>	<b>2,164</b>

The position includes mainly provisions for lease commitments (CHF 0.7 million, 2017: CHF 0.9 million), for warranties (CHF 0.3 million, 2017: CHF 0.3 million) and for pending legal cases and disputes (CHF 0.3 million, 2017: CHF 0.8 million).

## 19. DEFERRED TAXES

In CHF 1,000	2018	2017
Deferred tax assets	81	56
Deferred tax liabilities	154,977	145,579
<b>Deferred tax liabilities as at 1 January (net)</b>	<b>154,896</b>	<b>145,523</b>
Changes in scope of consolidation	21,638	11,737
Changes recognised in the income statement	989	-2,364
<b>Deferred tax liabilities as at 31 December (net)</b>	<b>177,523</b>	<b>154,896</b>
Deferred tax assets	116	81
Deferred tax liabilities	177,639	154,977

Deferred taxes are calculated using the local applicable tax rates for each subsidiary (see [Note 8](#)).

## 20. EQUITY

As at 31 December 2018, 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 2017.

### CONDITIONAL SHARE CAPITAL

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

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

### 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 6.1 million (2017: CHF 7.0 million).

## TREASURY SHARES

In 2018, Members of BoD and EB received part of their compensation in shares (total 12,382 shares, 2017: 0). See [compensation report](#).

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

	2018		2017	
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000
Net carrying amount as at 1 January	20,000	1,135	-	-
Purchase of treasury shares <sup>1)</sup>	89,766	5,504	20,000	1,135
Use of treasury shares <sup>2)</sup>	-12,382	-649	-	-
Loss on use of treasury shares recognised in capital reserves		-54		-
Net carrying amount as at 31 December	97,384	5,936	20,000	1,135

- 1) In the year under review, Investis Holding SA acquired 89,766 (2017: 20,000) registered treasury shares at an average price of CHF 61.31 (2017: CHF 56.75).
- 2) In the year under review, Investis Holding SA used 12,382 (2017: -) registered treasury shares at an average price of CHF 52.39 (2017: CHF -).

## 21. CONTINGENT ASSETS AND LIABILITIES

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

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

In CHF 1,000	31.12.2018	31.12.2017
<b>Pledged assets</b>		
Nominal charges on real estate property	233,718	245,260
Of which as security for own liabilities	25,631	16,357
<b>Off-balance sheet lease/rental obligations <sup>1)</sup></b>		
Up to 1 year	6,880	5,877
From 1 year up to 5 years	12,973	16,286
Over 5 years	216	1,460
<b>Total</b>	<b>20,069</b>	<b>23,623</b>

- 1) In 2018, the classification of the years was revised (prior year has been adjusted accordingly).

## 23. TRANSACTIONS WITH RELATED PARTIES

Business transactions with related parties are based on standard commercial contractual forms and conditions. All transactions are included in the 2018 and 2017 consolidated financial statements. There are loans and services from and to related parties. The respective balances from financial receivables are reported separately in these financial statements (see [Note 10](#) and [Note 15](#)).

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 2018, the commercial property “Chemin Lambien” in Sion was sold for CHF 5.1 million to a company controlled by Stéphane Bonvin.

In 2018, the financial assets of related parties (2017: CHF 15.0 million) were fully repaid. In 2017, the financial assets were repaid by CHF 15.0 million. As at 31 December 2018 the trade receivables from Be Capital SA amounted to CHF 0.1 million (2017: CHF 0.5 million).

The consolidated income statement contains rental revenue amounting to CHF 1.4 million (2017: CHF 1.6 million) from the letting of three hotels in Fribourg, Rothrist and Sion to companies controlled by Stéphane Bonvin.

In January 2017, the company Be Capital SA sold its 25% shareholding in Alaia 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.

## 24. EVENTS AFTER THE BALANCE SHEET DATE

On 14 February 2019, Investis Holding SA issued a CHF 140 million fixed-rate bond with a coupon of 0.773% and a tenor of two years (until 15 February 2021). The proceeds were used to refinance the CHF 140 million bond expiring on 14 February 2019.

On 28 February 2019, Investis successfully completed the sale, announced on 6 February 2019, of its 100% subsidiary Régie du Rhône Crans-Montana SA, Lens, to Crans Montana Aminona Immobilier S.A. (CMA Immobilier SA).

On 25 March 2019, Investis sold half of its shares in the project company La Foncière de la Dixence SA, Lens, to mjd Développement SA, Nendaz. Following this sale, Investis continues to hold 41.7% of the project company.

The Board of Directors approved the consolidated annual financial statements for publication on 26 March 2019. These statements are also subject to approval by the Annual General Meeting of Investis Holding SA on 29 April 2019.

No other events occurred between 31 December 2018 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 2018 or disclosure in this section.

## 25. GROUP COMPANIES

	Domicile	Original currency	31.12.2018		31.12.2017		Footnote
			Share capital in CHF 1,000	Ownership interest <sup>1)</sup>	Ownership interest <sup>1)</sup>		
<b>Properties</b>							
Investis Properties SA	Lens	CHF	1,650	100%	100%		C
Valotel SA	Lens	CHF	2,000	100%	100%		C
Domus Angelo S.à.r.l.	Luxembourg (LUX)	EUR	200	100%	100%		C
Alaia Invest SA	Lens	CHF	100	100%	100%		C
Carmat S.A.	Lens	CHF	50	100%			C
OR omiresidences Sarl	Lens	CHF	20	100%	100%		C
La Foncière de la Dixence SA	Lens	CHF	300	83%	75%		C <sup>2)</sup>
Raffaele Investissement SA	Lens	CHF	100	50%	50%		Q
Domus Flavia Investments AG	Geneva	CHF			100%		C <sup>3)</sup>
Hotel Investissements et Management AG	Lens	CHF			100%		C <sup>3)</sup>
Investis Patrimoine SA	Lens	CHF			100%		C <sup>4)</sup>
Serge Spaggiari SA	Perly-Certoux	CHF			100%		C <sup>4)</sup>
Jalu SA	Lens	CHF			100%		C <sup>4)</sup>
Parallax SA	Geneva	CHF			100%		C <sup>4)</sup>
Casamar AG	Geneva	CHF			100%		C <sup>4)</sup>
Les Résidences Privées SA	Lens	CHF			100%		C <sup>4)</sup>
<b>Real Estate Services</b>							
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%	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
C.T. Creative Technologies SA	Martigny	CHF	250	60%			C
WEGRA Holding AG	Auenstein	CHF			100%		C <sup>4)</sup>
Hauswartprofis Mägenwil AG	Mägenwil	CHF			100%		C <sup>5)</sup>
Hauswartprofis ZH AG	Dübendorf	CHF			100%		C <sup>5)</sup>
Hauswartprofis Baar GmbH	Baar	CHF			100%		C <sup>5)</sup>
Treos AG	Volketswil	CHF			100%		C <sup>5)</sup>



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
Volki-Land AG	Volketswil	CHF	50	100%	100%	C
Insite Management SA	Echandens	CHF	120	42%	42%	E
Polytech Ventures Holding SA	Ecublens	CHF	143	50%	50%	E
PropTech Partners SA	Ecublens	CHF	140	40%		E
YetiVisit SA	Bulle	CHF	167	40%		E
Minas-Tirith SA	Wollerau	CHF			100%	C 6)
Transimo SA	Fribourg	CHF			100%	C 4)

- C) Consolidated
- Q) Joint venture, consolidated proportionally
- 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
- 3) Sold in 2018
- 4) As at 1 January 2018 merged into Investis Properties SA
- 5) As at 1 January 2018 merged into Hauswartprofis AG
- 6) As at 1 January 2018 merged into Investis Investments SA

# 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 2018 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement 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 70 to 102 and 111 to 117) give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 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 4'700'000

We conducted audits at 15 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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**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 4'700'000
<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 470'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**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 15 reporting units, we identified 5 reporting units (components) to be the largest contributors to the consolidated profit and equity. These reporting units were subject to an ordinary 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.

**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>We consider the valuation of investment properties to be a key audit matter because of its significance in value and judgement involved.</p> <p>As of 31 December 2018, investment properties amount to around CHF 1'276 million (89.6% of total assets) and represent a significant balance sheet item.</p> <p>Investment properties are valued at fair value.</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 12 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 the Executive Board 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 additions to the property portfolio to the underlying contracts as well as to the land register extract. Sales of properties are reconciled on a sample basis to the underlying contracts.</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 the Executive Board 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 we are satisfied that the approach taken by the Executive Board was appropriate and that the input parameters are within a reasonable range.</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, 27 March 2019

# 5-YEAR-REVIEW

## 5-YEAR REVIEW

Operating results		2018	2017	2016	2015	2014
<b>Properties</b>						
Revenue	CHF 1,000	54,983	47,492	41,852	40,760	40,884
EBITDA before revaluations/disposals	CHF 1,000	34,953	32,394	27,293	25,011	26,802
EBIT	CHF 1,000	71,864	58,039	76,679	56,906	37,331
<b>Real Estate Services</b>						
Revenue	CHF 1,000	147,832	147,637	136,094	131,256	61,100
Of which property management		54%	53%	56%	55%	58%
Of which facility services		46%	46%	32%	31%	25%
EBIT	CHF 1,000	7,701	7,839	3,892	6,201	4,899
EBIT margin		5.2%	5.3%	2.9%	4.7%	8.0%
<b>Investis Group</b>						
Revenue	CHF 1,000	197,491	189,987	161,916	157,371	91,796
EBITDA before revaluations/disposals	CHF 1,000	39,724	37,311	28,695	29,886	31,381
EBIT	CHF 1,000	74,575	60,871	76,369	60,208	41,199
EBIT margin		37.8%	32.0%	47.2%	38.3%	44.9%
Net profit	CHF 1,000	54,376	57,604	45,077	44,569	27,768
Net profit excluding revaluation effect	CHF 1,000	35,576	26,789	9,419	18,187	19,882
Funds from operations (FFO) <sup>1)</sup>	CHF 1,000	61,145	29,460	17,844	20,483	22,598
<b>Financial position</b>						
		31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Cash and cash equivalents	CHF 1,000	33,245	50,539	52,940	47,983	53,344
Residential investment properties	CHF 1,000	1,146,271	940,629	841,961	745,866	723,161
Commercial investment properties	CHF 1,000	102,729	127,784	113,129	81,045	63,575
Investment properties under construction	CHF 1,000	25,073	14,826	64	3,507	1,025
Undeveloped plots of land	CHF 1,000	1,673	1,673	7,328	12,235	12,085
Properties held for sale	CHF 1,000	69,476	35,805	18,141	14,116	9,805
Total property portfolio	CHF 1,000	1,345,221	1,120,717	980,622	856,769	809,651
Total assets	CHF 1,000	1,423,653	1,238,222	1,099,750	984,451	935,085
Shareholders' equity	CHF 1,000	588,511	568,989	557,570	427,411	393,728
Equity ratio		41.3%	46.0%	50.7%	43.4%	42.1%
Mortgages and bonds	CHF 1,000	545,631	436,357	325,572	336,105	310,176
Gross LTV		41%	39%	33%	39%	38%
Deferred tax liabilities	CHF 1,000	177,639	154,977	145,579	132,539	126,374
Average discount rate		3.49%	3.62%	3.71%	4.04%	
Annualised full occupancy property rent	CHF million	57.7	51.5	46.9	41.2	
Annualised property rent	CHF million	56.0	49.6	45.2	39.8	
Vacancy rate		2.9%	3.5%	3.7%	3.3%	

Number of employees		2018	2017	2016	2015	2014
Headcount (as at period end)		1,391	1,420	1,146	1,082	1,046
FTE (full-time equivalent, average over the period)		1,169	1,143	902	855	364

Data per share		31.12.2018	31.12.2017	31.12.2016	31.12.2015 <sup>2)</sup>	31.12.2014 <sup>2)</sup>
<b>Share ratios</b>						
Share capital	CHF 1,000	1,280	1,280	1,280	1,000	1,000
Number of registered shares issued		12,800,000	12,800,000	12,800,000	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 share	CHF	45.89	44.38	43.48	39.69	36.54
NAV per share excluding deferred taxes with regard to properties	CHF	59.59	55.91	54.85	52.93	49.17
Earnings per share (basic/diluted)	CHF	4.27	4.49	3.88	4.16	2.64
Gross dividend <sup>3)</sup>	CHF	2.35	2.35	2.35		
Dividend yield <sup>3)</sup>		3.8%	3.8%	4.1%		
Payout ratio <sup>3)</sup>		55.4%	52.4%	68.0%		

		2018	2017	2016	2015	2014
<b>Share price</b>						
Share price – high	CHF	67.80	64.95	61.95		
Share price – low	CHF	56.60	55.40	53.00		
Share price at end of period	CHF	61.80	62.65	57.00		
Average number of shares traded per day		1,762	5,562	9,094		
Market capitalisation at end of period	CHF 1,000	791,040	801,920	729,600		

- 1) FFO is defined as cash flow from operating activities + investments in properties held for sale + interest received less interest paid.
- 2) In order to enhance comparability, the number of shares as of 31.12.2015 and 31.12.2014 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.
- 3) Intended distribution per share 2018 in accordance with the proposal to the Annual General Meeting of 29 April 2019.



# PROPERTY PORTFOLIO

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## INFORMATION ON INVESTMENT CATEGORIES

In CHF million	Fair value	Annualised full occupancy property rent <sup>1)</sup>	Vacancy rate in %
<b>Residential properties</b>	<b>1,146.3</b>	<b>51.9</b>	<b>3.2%</b>
of which in canton of Geneva	833.9	37.7	3.9%
of which in canton of Vaud	282.9	13.6	0.8%
of which in other cantons	29.5	0.6	10.5%
<b>Commercial properties</b>	<b>102.7</b>	<b>5.8</b>	<b>1.0%</b>
of which in canton of Geneva	62.3	3.5	1.7%
of which in canton of Vaud	5.8	0.4	0.0%
of which in other cantons	34.6	1.9	0.0%
<b>Properties under construction</b>	<b>25.1</b>		
of which in canton of Geneva	0.0		
of which in canton of Vaud	11.3		
of which in other cantons	13.7		
<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>1,275.7</b>	<b>57.7</b>	<b>2.9%</b>
<b>Properties held for sale</b>	<b>69.5</b>		
of which in canton of Geneva	0.0		
of which in canton of Vaud	5.9		
of which in other cantons	63.6		
<b>Total properties portfolio</b>	<b>1,345.2</b>	<b>57.7</b>	<b>2.9%</b>

1) Including rental income from Group companies

## INVESTMENT PROPERTIES

Acquired in current year	Canton	Place	Address	Main use	Market value (CHFm)	Annualised full occupancy property rent (CHFm)	Net annualised property rent (CHFm)	Occupancy rate (%)	Site area (sqm)	Ownership type 1	Ownership %
	GE	Geneva	Rue du Môle 5	Residential	13.5	0.6	0.6	97.9%	277	S	100%
	GE	Geneva	Rue de la Servette 23	Residential	12.9	0.7	0.6	96.9%	421	S	100%
	GE	Geneva	Rue Charles Cusin 10	Residential	15.5	0.6	0.3	50.3%	279	S	100%
	GE	Geneva	Rue des Asters 8	Residential	5.7	0.3	0.3	100.0%	302	S	100%
	GE	Geneva	Rue Antoine-Carteret 5 – Rue du Colombier 11/13	Residential	23.1	0.9	0.9	97.4%	1,242	S	100%
	GE	Geneva	Rue de Montbrillant 52	Residential	9.2	0.4	0.4	96.8%	263	S	100%
	GE	Geneva	Rue du Grand-Pré 39	Residential	11.2	0.5	0.5	100.0%	393	S	100%
	GE	Geneva	Rue Lamartine 23	Residential	27.1	1.1	1.1	95.2%	2,230	S	100%
	GE	Geneva	Rue Lamartine 13/15a/15b	Residential	27.9	1.1	1.1	96.0%	1,803	S	100%
	GE	Geneva	Rue de Lyon 65	Residential	10.8	0.5	0.5	100.0%	601	S	100%
	GE	Geneva	Avenue d'Aire 47	Residential	8.2	0.4	0.3	96.7%	233	S	100%
	GE	Geneva	Rue des Délices 21 bis	Residential	12.5	0.5	0.5	96.4%	285	S	100%
	GE	Geneva	Rue Liotard 69/71	Residential	13.7	0.7	0.7	96.5%	1,496	S	100%
	GE	Geneva	Avenue Wendt 3/5	Residential	22.5	1.2	0.9	80.3%	939	S	100%
*	GE	Geneva	Rue Lamartine 17a/17b	Residential	26.7	1.2	1.2	99.8%	1,470	S	100%
*	GE	Geneva	Avenue Ernest Pictet 14	Residential	25.1	1.1	1.1	97.8%	356	S	100%
*	GE	Geneva	Rue Daubin 35	Residential	8.3	0.4	0.4	100.0%	624	S	100%
	GE	Geneva	Avenue Henri-Dunant 20 – Rue Guillaume de Marcossay 21	Residential	21.8	1.0	0.9	96.4%	1,165	S	100%
	GE	Geneva	Boulevard de St-Georges 71 – Rue des Rois 12	Residential	14.2	0.6	0.6	100.0%	371	S	100%
	GE	Geneva	Rue du Vieux-Billard 12	Residential	7.1	0.3	0.3	100.0%	385	S	100%
	GE	Geneva	Boulevard de la Cluse 35	Residential	8.6	0.6	0.5	88.9%	188	S	100%
	GE	Geneva	Rue Goetz-Monin 24	Residential	23.5	1.3	1.2	90.6%	728	S	100%
	GE	Geneva	Rue de Carouge 72/74	Residential	19.7	0.8	0.8	93.0%	904	S	100%
*	GE	Geneva	Boulevard Carl-Vogt 6	Residential	8.9	0.4	0.4	100.0%	436	S	100%
*	GE	Geneva	Rue des Peupliers 13	Residential	4.0	0.2	0.2	100.0%	147	S	100%
*	GE	Geneva	Rue du Village-Suisse 4	Residential	3.8	0.2	0.2	100.0%	145	S	100%
	GE	Geneva	Rue de la Mairie 6	Residential	11.5	0.6	0.6	93.4%	318	S	100%
	GE	Geneva	Rue du Nant 30	Residential	15.8	0.7	0.6	95.1%	567	S	100%
	GE	Onex	Avenue Bois-de-la-Chapelle 101	Residential	14.4	0.7	0.7	95.8%	320	S	100%
*	GE	Petit-Lancy	Route de Chancy 40	Residential	5.4	0.3	0.3	100.0%	804	S	100%
*	GE	Vernier	Rue du Village 18 a/b/c/d/e	Residential	9.4	0.4	0.4	97.2%	3,692	S	100%
*	GE	Vernier	Route de Peney 4	Residential	7.8	0.3	0.3	99.5%	253	S	100%
	GE	Cointrin	Avenue Louis-Casaï 80	Residential	8.7	0.6	0.5	94.0%	1,372	S	100%
	GE	Meyrin	Avenue François-Besson 16	Residential	9.1	0.4	0.4	100.0%	345	S	100%
	GE	Meyrin	Chemin du Grand-Puits 64/66	Residential	8.7	0.4	0.4	94.1%	499	S	100%
	GE	Meyrin	Avenue François-Besson 1/3	Residential	21.1	0.9	0.9	96.7%	579	S	100%
	GE	Meyrin	Avenue de Vaudagne 29/31	Residential	25.7	1.3	1.3	97.8%	1,020	S	100%
	GE	Meyrin	Rue des Lattes 25/27	Residential	7.7	0.4	0.4	100.0%	425	S	100%
	GE	Meyrin	Rue des Lattes 63	Residential	10.0	0.5	0.5	99.8%	213	S	100%
	GE	Meyrin	Rue de la Prulay 64/66	Residential	20.7	0.9	0.9	97.4%	3,393	S	100%
	GE	Meyrin	Route de Meyrin 283/285	Residential	13.4	0.6	0.6	99.5%	2,642	S	100%
	GE	Meyrin	Avenue de Vaudagne 78/80/82	Residential	17.4	0.5	0.5	100.0%	669	S	100%
	GE	Meyrin	Avenue de Mategnin 75/77	Residential	15.7	0.4	0.4	100.0%	450	S	100%
	GE	Meyrin	Chemin du Vieux-Bureau 98	Residential	9.8	0.4	0.4	97.1%	333	S	100%
*	GE	Meyrin	Rue De-Livron 17/19	Residential	21.1	0.9	0.9	98.9%	670	S	100%
	GE	Le Grand-Saconnex	L'Ancienne-Route 77a	Residential	7.7	0.4	0.4	100.0%	2,452	S	100%
	GE	Le Grand-Saconnex	Route de Ferney 208a/b	Residential	18.5	0.8	0.8	94.6%	2,910	S	100%
	GE	Châtelaine	Chemin de l'Écu 15–17a	Residential	15.3	0.6	0.6	100.0%	1,043	S	100%
	GE	Les Avanchets	Avenue Louis-Casaï 43	Residential	11.2	0.5	0.5	100.0%	1,035	S	100%
	GE	Les Avanchets	Avenue Louis-Casaï 37	Residential	12.0	0.6	0.6	100.0%	1,093	S	100%
*	GE	Chêne-Bougeries	Avenue des Cavaliers 7	Residential	12.0	0.5	0.5	100.0%	1,690	S	100%
*	GE	Thônex	Route de Mon Idée 65/67	Residential	19.9	0.9	0.9	97.7%	1,001	S	100%

Year of construction	Full renovation 3)	Partial renovation 3)	Discount rate	Register of polluted sites	Compulsory surveillance	Obligatory remediation	Lettable area (% sqm)							Total (sqm)	Parking units
							Residential	Office	Retail	Trade / Industry	Warehousing / Archiving	Special use	Other		
1957	2012/2014	2016	3.3%	No	-	-	85%	-	15%	-	-	-	-	1,518	-
1967	-	-	3.5%	No	-	-	61%	16%	16%	-	7%	-	-	2,149	-
1970	2018	-	3.7%	No	-	-	77%	-	18%	-	5%	-	-	1,256	-
1910	-	2009	3.4%	No	-	-	83%	-	8%	-	9%	-	-	1,115	-
1956	2011/2013	-	3.3%	No	-	-	98%	-	-	-	2%	-	-	2,779	26
1959	-	-	3.3%	No	-	-	87%	13%	-	-	-	-	-	1,372	-
1962	-	2005	3.3%	No	-	-	87%	-	2%	-	11%	-	-	2,043	-
1964	2009	2012/2017	3.5%	No	-	-	70%	6%	-	24%	-	-	-	3,677	90
1955	2012/2016	-	3.3%	No	-	-	100%	-	-	-	-	-	-	3,551	-
1957	2006	-	3.3%	No	-	-	100%	-	-	-	-	-	-	1,321	8
1950	-	2006	3.3%	No	-	-	100%	-	-	-	-	-	-	1,028	-
1935	-	2011/2017	3.3%	No	-	-	100%	-	-	-	-	-	-	1,744	-
1968	-	2008	3.3%	No	-	-	99%	-	-	-	1%	-	-	2,019	18
1950	2008/2010	2016	3.3%	No	-	-	83%	-	14%	-	3%	-	-	3,006	-
1956	-	-	3.3%	No	-	-	100%	-	-	-	-	-	-	3,140	32
1980	-	-	3.3%	No	-	-	93%	-	7%	-	-	-	-	3,522	59
1940	-	-	3.3%	No	-	-	100%	-	-	-	-	-	-	1,188	11
1965	2006/2008	2009	3.5%	No	-	-	65%	-	-	17%	18%	-	-	3,560	3
1971	-	2009	3.5%	No	-	-	64%	14%	-	12%	10%	-	-	2,105	-
1957	-	2017/2018	3.3%	No	-	-	100%	-	-	-	-	-	-	932	-
1961	2009	2012	3.3%	No	-	-	78%	-	13%	-	9%	-	-	915	-
1947	2007/2008	2010/2011	3.7%	No	-	-	61%	-	25%	-	14%	-	-	2,289	-
1970	2018	-	3.3%	No	-	-	69%	-	6%	25%	-	-	-	3,487	-
1960	-	-	3.5%	No	-	-	73%	4%	23%	-	-	-	-	1,354	-
1920	-	-	3.3%	No	-	-	100%	-	-	-	-	-	-	514	-
1920	-	-	3.3%	No	-	-	100%	-	-	-	-	-	-	490	-
1930	2009	2011	3.3%	No	-	-	85%	-	15%	-	-	-	-	1,422	-
1960	2013/2015	-	3.3%	No	-	-	95%	-	5%	-	-	-	-	2,024	-
1970	-	2009	3.4%	No	-	-	98%	-	-	-	2%	-	-	2,525	31
1910	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	713	16
1970	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	1,551	11
1973	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	1,230	15
1973	-	2013	4.0%	No	-	-	55%	-	28%	-	17%	-	-	1,389	10
1967	2015/2016	2018	3.4%	No	-	-	100%	-	-	-	-	-	-	1,365	8
1974	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	1,608	21
1973	2014/2015	2016	3.4%	No	-	-	91%	4%	-	-	5%	-	-	3,294	35
1961	2004/2006	2008	3.4%	No	-	-	92%	6%	-	-	2%	-	-	4,465	66
1975	-	2016	3.4%	No	-	-	94%	-	-	-	6%	-	-	1,343	16
1975	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	1,745	22
1962	2011/2012	-	3.4%	No	-	-	97%	-	-	-	3%	-	-	3,012	44
1994	-	-	3.4%	No	-	-	93%	-	-	-	7%	-	-	2,422	33
1964	-	2015	3.5%	No	-	-	100%	-	-	-	-	-	-	2,457	-
1968	-	2012	3.5%	No	-	-	100%	-	-	-	-	-	-	2,301	-
1970	2018	-	3.4%	No	-	-	98%	-	-	-	2%	-	-	1,521	19
1970	-	-	3.4%	No	-	-	89%	5%	5%	-	1%	-	-	3,562	47
1962	2015/2016	-	3.4%	No	-	-	66%	-	-	34%	-	-	-	1,151	18
1959	2015/2017	-	3.4%	No	-	-	93%	5%	-	-	2%	-	-	2,654	56
1960	2012/2013	2007	3.4%	No	-	-	100%	-	-	-	-	-	-	2,323	-
1963	2017/2018	2006	3.4%	No	-	-	92%	-	8%	-	-	-	-	1,682	29
1963	2015/2016	-	3.4%	No	-	-	91%	-	9%	-	-	-	-	1,688	27
1975	-	-	3.3%	No	-	-	85%	-	15%	-	-	-	-	1,959	12
1971	-	-	3.3%	No	-	-	100%	-	-	-	-	-	-	2,609	33

## INVESTMENT PROPERTIES

Acquired in current year	Canton	Place	Address	Main use	Market value (CHFm)	Annualised full occupancy property rent (CHFm)	Net annualised property rent (CHFm)	Occupancy rate (%)	Site area (sqm)	Ownership type 2	Ownership %
	GE	Carouge	Rue de la Fontenette 11	Residential	10.3	0.5	0.5	100.0%	427	S	100%
	GE	Les Acacias	Route des Acacias 20 – Rue des Ronzades 1/3 - Gustave Revillod 14	Residential	35.8	1.8	1.7	96.3%	1,857	S	100%
	GE	Carouge	Rue de la Gabelle 3	Residential	7.3	0.4	0.4	100.0%	482	S	100%
	GE	Les Acacias	Route des Acacias 28	Residential	9.3	0.4	0.4	100.0%	570	S	100%
	GE	Les Acacias	Rue Simon Durand 5	Residential	5.8	0.3	0.3	100.0%	306	S	100%
*	GE	Carouge	Place d'Armes 8	Residential	9.9	0.5	0.5	96.1%	250	S	100%
	GE	Versoix	Avenue Théodore-Vernes 20/22	Residential	7.9	0.3	0.3	100.0%	512	S	100%
*	GE	Versoix	Grand-Montfleury 38	Residential	12.4	0.6	0.6	100.0%	329	S	100%
	GE	Geneva	Rue du Valais 7/9/11	Commercial	21.9	1.2	1.1	95.1%	1,032	S	100%
	GE	Petit-Lancy	Chemin des Olliquettes 10	Commercial	25.1	1.2	1.2	100.0%	4,247	S	100%
	GE	Perly	Route de Saint-Julien 253/255	Commercial	15.3	1.1	1.1	99.9%	9,099	S	100%
	VD	Lausanne	Rue du Maupas 61/67	Residential	19.9	0.9	0.9	100.0%	2,471	S	100%
	VD	Lausanne	Avenue Alexandre-Vinet 39	Residential	7.4	0.3	0.3	100.0%	597	S	100%
	VD	Lausanne	Avenue d'Echallens 87/89	Residential	1.9	0.1	0.1	100.0%	535	S	100%
	VD	Lausanne	Chemin de Montmeillan 19/21	Residential	9.2	0.5	0.5	100.0%	1,158	S	100%
	VD	Lausanne	Place du Vallon 1	Residential	8.6	0.4	0.4	100.0%	515	S	100%
	VD	Lausanne	Chemin du Closelet 4/6/8/10	Residential	21.7	1.0	1.0	100.0%	1,747	S	100%
	VD	Prilly	Rue de la Combette 22/24	Residential	11.1	0.6	0.6	100.0%	2,840	S	100%
	VD	Lausanne	Chemin des Lys 14	Residential	6.8	0.3	0.3	94.7%	958	S	100%
*	VD	Lausanne	Avenue Victor-Ruffly 33	Residential	5.9	0.2	0.2	91.4%	1,097	S	200%
	VD	Lausanne	Avenue des Oiseaux 15/17	Residential	15.4	0.7	0.7	100.0%	1,030	S	100%
	VD	Lausanne	Route Aloys Fauquez 122/124	Residential	16.6	0.8	0.8	96.2%	1,447	S	100%
	VD	Lausanne	Route Aloys Fauquez 60	Residential	6.1	0.3	0.3	100.0%	786	S	100%
	VD	Renens	Avenue du Censuy 18/20/22/24/26	Residential	27.1	1.3	1.3	100.0%	6,321	S	100%
	VD	Renens	Avenue de Florissant 30/32	Residential	18.6	0.9	0.9	99.7%	9,259	S	100%
	VD	Renens	Avenue de Florissant 34/36	Residential	38.6	1.9	1.9	99.3%	4,784	S	100%
	VD	Renens	Rue Neuve 10/12/14	Residential	5.1	0.3	0.3	100.0%	574	S	100%
	VD	Chavannes-près-Renens	Avenue du Tir-Fédéral 79/81	Residential	19.0	0.9	0.9	100.0%	2,898	S	100%
	VD	Bussigny	Chemin de Roséaz 8	Residential	6.4	0.3	0.3	100.0%	1,463	S	100%
	VD	Cugy	Chemin des Petits-Esserts 1	Residential	3.0	0.2	0.2	100.0%	1,515	S	100%
	VD	Montpréveyres	Chemin de la Rochette 4	Residential	2.7	0.2	0.2	98.8%	3,758	S	100%
	VD	Gland	Rue du Jura 15	Residential	6.8	0.3	0.3	100.0%	1,787	S	100%
	VD	Nyon	Rue Juste Olivier 13	Residential	6.2	0.3	0.3	100.0%	277	S	100%
	VD	Yverdon-les-Bains	Avenue Kiener 1/3	Residential	9.2	0.5	0.4	96.6%	3,900	S	100%
	VD	Moudon	Avenue de Bussy 22/24	Residential	4.2	0.2	0.2	100.0%	2,323	S	100%
	VD	Vevey	Rue du Centre 7	Residential	3.2	0.2	0.2	100.0%	143	S	100%
	VD	Bex	Chemin des Valentines 25	Residential	2.3	0.1	0.1	100.0%	5,491	S	100%
	VD	Cheseaux-sur-Lausanne	Chemin de la Chapelle 2	Commercial	5.8	0.4	0.4	100.0%	5,358	S	100%
	VS	Lens	Route de Crans 87	Residential <sup>1)</sup>	2.7	0.0	0.0	-	3,959	S	100%
	VS	Crans-Montana	Route des Briesses 4	Residential	3.9	0.1	0.1	100.0%	916	S	100%
	VS	Crans-Montana	Route de Grinchon 1	Residential	10.2	0.3	0.2	83.7%	2,340	S	100%
	VS	Crans-Montana	Route de Vermala 43/45	Residential <sup>1)</sup>	7.4	0.0	0.0	-	2,105	S	100%
	VS	Randogne	Chemin de Praty 4	Residential	5.3	0.2	0.2	91.6%	1,678	S	100%
	FR	Fribourg	Grand-Places 14	Commercial	11.9	0.8	0.8	100.0%	8,170	S	100%
	VS	Sion	Avenue du Grand-Champsec 21	Commercial	7.6	0.4	0.4	100.0%	2,062	S	100%
	VS	Crans-Montana	Rue du Prado 19	Commercial	1.7	0.1	0.1	100.0%	1,317	S	100%
	VS	Lens	Grand Place 12/14	Commercial	5.9	0.2	0.2	100.0%	1,415	S	100%
	AG	Rothrist	Helblingstrasse 9	Commercial	7.5	0.4	0.4	100.0%	4,270	S	100%
<b>Total</b>					<b>1,249.0</b>	<b>57.7</b>	<b>56.0</b>	<b>97.1%</b>	<b>159,846</b>		

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

Year of construction	Full renovation 3)	Partial renovation 3)	Discount rate	Register of polluted sites	Compulsory surveillance	Obligatory renovation	Lettable area (% sqm)							Total (sqm)	Parking units
							Residential	Office	Retail	Trade / Industry	Warehousing / Archiving	Special use	Other		
1963	-	2016	3.4%	No	-	-	100%	-	-	-	-	-	-	1,590	5
1958	2006	-	3.6%	No	-	-	75%	2%	6%	16%	1%	-	-	5,671	10
1930	-	2006	3.4%	No	-	-	100%	-	-	-	-	-	-	1,112	-
1959	-	2005	3.4%	No	-	-	100%	-	-	-	-	-	-	1,480	7
1960	-	-	3.5%	No	-	-	44%	-	37%	-	19%	-	-	776	-
1940	-	-	3.4%	No	-	-	92%	-	8%	-	-	-	-	1,198	8
1959	2017/2018	2006	3.4%	No	-	-	98%	-	-	-	2%	-	-	1,061	4
1980	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	2,249	11
1919	-	-	4.0%	No	-	-	-	86%	4%	-	10%	-	-	4,639	-
2010	-	-	3.8%	No	-	-	-	86%	-	-	14%	-	-	2,570	29
1982	-	-	4.5%	No	-	-	-	-	-	100%	-	-	-	6,018	141
1955	2009	2016	3.4%	No	-	-	91%	-	-	4%	5%	-	-	3,121	24
1953	2005	2005	3.4%	No	-	-	76%	-	24%	-	-	-	-	1,125	5
1899	-	2018	3.4%	No	-	-	100%	-	-	-	-	-	-	745	-
1966	2009	-	3.5%	No	-	-	85%	-	-	15%	-	-	-	1,661	3
1955	-	2017	3.5%	No	-	-	96%	-	-	4%	-	-	-	1,544	4
1895	2006	-	3.4%	Yes	No	No	91%	-	7%	-	2%	-	-	2,941	34
1963	-	2018	3.5%	No	-	-	100%	-	-	-	-	-	-	2,506	15
1962	-	2012	3.4%	No	-	-	100%	-	-	-	-	-	-	1,259	8
1952	-	-	3.4%	No	-	-	100%	-	-	-	-	-	-	1,120	12
1960	2004/2005	2005	3.4%	No	-	-	99%	-	-	-	1%	-	-	2,136	16
1968	-	-	3.4%	No	-	-	91%	4%	4%	-	1%	-	-	3,472	6
1962	-	-	3.5%	No	-	-	62%	-	38%	-	-	-	-	1,405	8
1972	2008/2009	2009	3.5%	No	-	-	91%	-	6%	-	3%	-	-	6,014	78
1962	2018	2009	3.5%	No	-	-	92%	-	7%	-	1%	-	-	3,604	70
1960	2004	2009/2017	3.5%	No	-	-	99%	-	-	-	1%	-	-	7,808	17
1900	-	-	3.7%	Yes	No	No	62%	6%	29%	-	2%	-	-	1,027	-
1962	2009/2010	2004	3.5%	No	-	-	100%	-	-	-	-	-	-	3,442	44
1966	2005/2008	2008	3.5%	No	-	-	100%	-	-	-	-	-	-	984	16
1965	-	-	3.5%	No	-	-	100%	-	-	-	-	-	-	706	16
1990	-	2005	4.1%	No	-	-	67%	-	-	-	33%	-	-	946	11
1969	-	2017	3.5%	No	-	-	100%	-	-	-	-	-	-	992	15
1910	-	-	3.5%	No	-	-	100%	-	-	-	-	-	-	1,200	3
1991	-	-	3.5%	No	-	-	100%	-	-	-	-	-	-	2,080	35
1960	-	-	3.8%	No	-	-	100%	-	-	-	-	-	-	640	14
1920	2006/2007	2006	3.6%	No	-	-	76%	-	17%	-	7%	-	-	575	-
1880	-	-	3.9%	No	-	-	100%	-	-	-	-	-	-	1,030	8
1961	-	-	4.9%	No	-	-	7%	18%	-	75%	-	-	-	2,306	43
1985	2018	-	-	No	-	-	100%	-	-	-	-	-	-	330	-
2012	-	-	-	No	-	-	100%	-	-	-	-	-	-	263	3
2015	-	-	-	No	-	-	100%	-	-	-	-	-	-	963	17
1965	2018	2013	4.5%	No	-	-	93%	-	7%	-	-	-	-	1,940	11
1950	2015	-	3.9%	No	-	-	100%	-	-	-	-	-	-	610	3
1974	-	-	4.2%	No	-	-	-	-	-	1%	1%	-	98%	8,170	40
1980	-	-	4.0%	No	-	-	-	-	-	-	16%	-	84%	1,500	42
2013	-	-	4.7%	No	-	-	-	-	100%	-	-	-	-	162	-
1972	2013/2015	2017	-	No	-	-	19%	67%	-	-	14%	-	-	1,147	3
1989	-	-	4.1%	No	-	-	-	-	-	-	15%	-	85%	2,115	100
							77%	5%	4%	6%	3%	0%	5%	208,041	1,755

## DEVELOPMENT PROPERTIES

Canton	Place	Address	Book value (CHF million)	Built	Project description	Project Status	Realisation period <sup>2)</sup>
<b>Development properties held for sale</b>							
VS	Lens	Le Prado <sup>1)</sup>	1.8	2015	2 condominiums	for sale	-
VS	Hérémece	Route de la Forêt Derrière	30.4	-	1 Hotel, 12 Buildings	under construction	2016–2026 <sup>3)</sup>
BE	Saanen	Gstaadstrasse 6/8	27.2	-	18 condominiums, 5 shops	under construction	2017–2019
VD	St.–Sulpice	Chemin des Chantres 8	5.9	-	4 condominiums	under construction	2019
VS	Lens	Route de Crans 87a	4.1	-	Residential	under construction	2019
<b>Total</b>			<b>69.5</b>				
<b>Investment properties under construction</b>							
VS	Sion	Les Nouveaux Ronquoz	3.1	-	Commercial	under construction	2019
VD	Morges	Rue de Lausanne 35	11.0	-	Commercial	under construction	2019
VS	Lens	Route de Crans 85	5.7	-	Commercial	under construction	2019
VS	Sion	L'Île Grély	3.6	-	Commercial	in planning	2020
VS	Lens	Route des Mélèzes	0.3	-	Commercial	in planning	2021-2022
VD	Nyon	Allée de la petite Prairie	0.1	-	Commercial	under construction	2019-2021
SG	St. Gallen	Heiligkreuzstrasse	1.3	-	Commercial	under construction	2019-2020
<b>Total</b>			<b>25.1</b>				
<b>Undeveloped plots of land</b>							
VS	Crans-Montana	Route de Vermala	1.7	-	Residential	in planning	-
<b>Total</b>			<b>1.7</b>				

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

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

3) 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.

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

Ownership Type 4)	Ownership %	Site area in sqm	Total lettable area				
			Total in sqm	Residential in %	Commercial in %	Retail in %	Other in %
C (189/1000)	50%	1,317	341	100%	-	-	-
S	83.3%	25,088	19,500	65%	-	1%	34%
S	100%	2,346	2,598	82%	-	18%	-
S	100%	3,118	753	100%	-	-	-
S	100%	3,959	1,370	98%	-	-	2%
S	100%	3,339	2,824	-	100%	-	-
S	100%	377	1,834	-	100%	-	-
S	100%	40,399	7,892	-	100%	-	-
S	100%	16,655	12,578	-	100%	-	-
S	100%	2,683	6,100	-	-	-	100%
S	100%	1,404	3,543	-	-	10%	90%
S	100%	1,361	4,627	-	-	-	100%
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, March 1<sup>st</sup>, 2019

Independent valuer's report  
Real Estate Property Valuation as at 31.12.2018

To the Executive Board of Investis Holding SA

Ref.  
103557.1802

#### 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 2018 (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 was 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. For investment properties that include single family houses or condominiums to be sold, selling prices have been valued with a sales comparison approach.

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Developments 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.

An impairment test has then been made to compare the market value at valuation date calculated with the DCF method and the value at cost at valuation date of each development. For the 3 developments, the market value at valuation date calculated with the DCF method is higher than the value at cost at valuation date. The values at cost at valuation date for each development have then been taken into account.

#### 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 2018 to 31 December 2018, Wüest Partner visited 33 properties belonging to Investis Group.

#### Results

As at the valuation date the relevant portfolio holds 157 buildings with a strategy of "buy and hold" and 6 developments.

The following overview represents the valuation results:

Type of Properties	Number of buildings / developments	Fair Value as per 31/12/2018 [CHF]
Investment Properties	157	1 249 000 000
Developments	6	80 460 232
<b>TOTAL</b>	<b>163</b>	<b>1 329 460 232</b>

These properties were valued as at December 31, 2018 by Wüest Partner. The market value of these properties of the Investis Group is estimated as at December 31<sup>st</sup>, 2018 at 1,329,460,232 Swiss Francs.

**Changes during reporting period**

Within the review period from January 1, 2018 to December 31, 2018 the following changes took place:

**Properties acquired:**

- Place d'Armes 8, 1227 Carouge
- Rue des Peupliers 13, 1205 Genève
- Rue du Village-Suisse 4, 1205 Genève
- Boulevard Carl-Vogt 6, 1205 Genève
- Rue Daubin 35, 1203 Genève
- Rue de Livron 17-19, 1217 Meyrin
- Rue du Village 18 a, b, c, d e, 1214 Vernier
- Route de Mon-Idee 65-67, 1226 Thônex
- Route de Peney 4, 1214 Vernier
- Rue Lamartine 17A-B, 1203 Genève
- Grand-Montfleury 38, 1290 Versoix
- Route de Chancy 40, 1213 Petit-Lancy
- Avenue des Cavaliers 7, 1224 Chêne-Bougeries
- Avenue Ernest-Pictet 14, 1203 Genève
- Avenue Victor Ruffy 33, 1012 Lausanne
- Rue de Zurich 35, 1201 Genève (no valuation carried out by Wüest Partner)
- Rue du Vieux-Chêne 20-22, 1224 Chêne-Bougeries (no valuation carried out by Wüest Partner)

**Properties sold**

- Hangar Grely - Chemin Lambien, 1950 Sion
- Rue Peillonex 39, 1225 Chêne-Bourg
- Les Harros - Route de Pliany 16-18, 3971 Chermignon
- Rue de Zurich 35, 1201 Genève (no valuation carried out by Wüest Partner)
- Rue du Vieux-Chêne 20-22, 1224 Chêne-Bougeries (no valuation carried out by Wüest Partner)

**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, March 1<sup>st</sup>, 2019

Wüest Partner SA



Ivan Anton  
Partner



Léon Ly  
Director

## 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 December 31, 2018, on which the valuation was based, were received by Wüest Partner in October and December 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 3.30% and 4.90% 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.

**Developments**

Wüest Partner also determined the market values of developments. 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.
- Impairment test: An impairment test has been made to compare the market value at valuation date calculated with the DCF method and the value at cost at valuation date of each development. If the market value at valuation date calculated with the DCF method is higher than the value at cost at valuation date, the value at cost at valuation date is taken into account.

# FINANCIAL STATEMENTS

## INVESTIS HOLDING SA

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## BALANCE SHEET

In CHF 1,000	Note	31.12.2018	31.12.2017
Cash and cash equivalents		73	256
Account receivables from Group companies		41	187
Current loans to Group companies	2.1	32,421	34,000
Prepaid expenses and accrued income		36	36
<b>Total current assets</b>		<b>32,571</b>	<b>34,480</b>
Non-current loans to Group companies	2.1	603,757	528,000
Investment in subsidiary	2.2	200,000	200,000
<b>Total non-current assets</b>		<b>803,757</b>	<b>728,000</b>
<b>Total assets</b>		<b>836,328</b>	<b>762,480</b>
Current bond	2.3	140,000	-
Account payables to Group companies		814	-
Accrued expenses		1,752	1,339
<b>Total current liabilities</b>		<b>142,566</b>	<b>1,339</b>
Bonds	2.3	380,000	420,000
<b>Total non-current liabilities</b>		<b>380,000</b>	<b>420,000</b>
<b>Total liabilities</b>		<b>522,566</b>	<b>421,339</b>
Share capital		1,280	1,280
Statutory capital reserves			
– Capital contribution reserve		82,459	112,521
– Other capital reserves		199,214	199,098
Legal retained earnings			
– Reserve for treasury shares		6,018	-
Voluntary retained earnings			
– Profit carried forward		23,358	28,914
– Profit for the year		1,433	463
Treasury shares		-	-1,135
<b>Total equity</b>	2.4	<b>313,762</b>	<b>341,141</b>
<b>Total shareholders' equity and liabilities</b>		<b>836,328</b>	<b>762,480</b>

## INCOME STATEMENT

In CHF 1,000	Note	2018	2017
Interest on loans to Group companies		5,090	3,129
<b>Total income</b>		<b>5,090</b>	<b>3,129</b>
Personnel expenses	2.5	-414	-361
Administrative expenses		-301	-290
Financial expenses		-2,821	-1,977
<b>Total operating expenses</b>		<b>-3,536</b>	<b>-2,627</b>
<b>Profit before taxes</b>		<b>1,555</b>	<b>503</b>
Income taxes		-122	-39
<b>Profit for the year</b>		<b>1,433</b>	<b>463</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.

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

#### 1.2 ASSETS

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

#### 1.3 LOANS AND INVESTMENTS

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

#### 1.4 BONDS

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

#### 1.5 TREASURY SHARES

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

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

### 2.1. LOANS

In CHF 1,000	31.12.2018	31.12.2017
Loan to Investis Investments SA	122,421	558,000
Loan to Investis Properties SA	513,757	4,000
<b>Total loans to Group companies</b>	<b>636,178</b>	<b>562,000</b>
Of which current assets	32,421	34,000
Of which non-current assets	603,757	528,000

### 2.2. INVESTMENTS

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

### 2.3 BONDS

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

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.

Information on loan conditions is published in Note 17 of the consolidated financial statements in this report.

## 2.4. EQUITY

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

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

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

In CHF 1,000	Share capital	Legal capital reserves		Legal retained earnings	Voluntary retained earnings	Treasury shares	Total equity
		Capital contribution reserve	Other capital reserves	Reserves for treasury shares			
Equity as at 1 January 2017	1,280	142,699	199,000	-	28,914	-	371,892
Reclassification		-98	98				-
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
Equity as at 1 January 2018	1,280	112,521	199,098	-	29,377	-1,135	341,141
Profit for the year					1,433		1,433
Dividends		-30,062					-30,062
Use of treasury shares			34			703	736
Purchase of treasury shares						-5,504	-5,504
Sale of treasury shares to subsidiary			82	6,018	-6,018	5,936	6,018
Equity as at 31 December 2018	1,280	82,459	199,214	6,018	24,791	0	313,762

### 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. 1<sup>bis</sup> Withholding Tax Act. The unconfirmed amount of CHF 0.1 million was reclassified to other capital reserves.

## 2.4.2 TREASURY SHARES

	2018		2017	
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000
Net carrying amount as at 1 January	20,000	1,135	-	-
Purchase of treasury shares <sup>1)</sup>	89,766	5,504	20,000	1,135
Use of treasury shares <sup>2)</sup>	-12,382	-736	-	-
Sale of treasury shares to subsidiary <sup>3)</sup>	-97,384	-6,018	-	-
Gains on use/sale of treasury shares recognised in equity		116		-
<b>Net carrying amount as at 31 December</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>1,135</b>

- 1) In the year under review, Investis Holding SA acquired 89,766 (2017: 20,000) registered treasury shares at an average price of CHF 61.31 (2017: CHF 56.75).
- 2) In the year under review, Investis Holding SA used 12,382 (2017: -) registered treasury shares at an average price of CHF 59.45 (2017: CHF -) for the shared-based compensation to the Board of Directors and the Executive Board.
- 3) In the year under review, Investis Holding SA sold 97,384 (2017: -) registered treasury shares at an average price of CHF 61.80 (2017: CHF -) to a subsidiary.

## 2.5 PERSONNEL EXPENSES

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

## 3. OTHER INFORMATION

### 3.1 FULL-TIME EQUIVALENT

Investis Holding SA has no employees.

### 3.2 SIGNIFICANT SHAREHOLDERS

As at 31 December 2018, 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 9,860,021 shares or 77.0% (2017: 9,791,080 or 76.5%) of the outstanding share capital.

### 3.3 SHARE OWNERSHIP

#### Members of the Board of Directors

(non-executive)

As at 31 December 2018, the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

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

## Members of the Executive Board

(including the executive member of the Board of Directors)

As at 31 December 2018, 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 2018	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	9,860,021	77.0
René Häsler	Chief Financial Officer	13,310	0.1
Walter Eberle	Head Facility Services	10,512	0.1
Dieter Sommer	Head Property Management	1,315	<0.1
<b>Total</b>		<b>9,885,158</b>	<b>77.2</b>
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.

### 3.4 EVENTS AFTER THE BALANCE SHEET DATE

On 14 February 2019, Investis Holding SA issued a CHF 140 million fixed-rate bond with a coupon of 0.773% and a tenor of two years (until 15 February 2021). The proceeds were used to refinance the CHF 140 million bond expiring on 14 February 2019.

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	31.12.2018	31.12.2017
Profit brought forward from prior year	29,377	28,914
Reclass to reserves for treasury shares	-6,018	-
Profit for the year	1,433	463
<b>Retained earnings available for Annual General Meeting</b>	<b>24,791</b>	<b>29,377</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>24,791</b>	<b>29,377</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	2018	2017
Statutory capital contribution reserves before distribution	82,459	112,619
Reclass to other capital reserves <sup>2)</sup>	-	-98
Appropriation from statutory capital reserves to voluntary retained earnings	-30,080	-30,062
<b>Statutory capital contribution reserves after distribution</b>	<b>52,379</b>	<b>82,459</b>
<b>Distribution <sup>1)</sup></b>		
Gross distribution per registered share: CHF 2.35 (2017: CHF 2.35)		
on 12,702,616 shares entitled to distribution at 31 December 2018	29,851	30,062
on 97,384 treasury shares set aside for the employee share plan at 31 December 2018	229	
Less withholding tax	-	
<b>Total distribution</b>	<b>30,080</b>	<b>30,062</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 2018, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 124 to 132) as at 31 December 2018 comply with Swiss law and the company's articles of incorporation.

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

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

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

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

###### ***Overview***



Overall materiality: CHF 8'300'000

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

We have not identified a key audit matter.

##### ***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

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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.

<i>Overall materiality</i>	CHF 8'300'000
<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.

#### ***Audit scope***

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

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

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

Oliver Kuntze  
Audit expert  
Auditor in charge

Marc Zurflüh  
Audit expert

Bern, 27 March 2019

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## FINANCIAL CALENDAR AND SHARE DATA

29 April 2019	Ordinary Annual General Meeting 2019
29 August 2019	Half-year results 2019
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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