

FINANCIAL STATEMENTS

INVESTIS HOLDING SA

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BALANCE SHEET

In CHF 1,000	Note	31.12.2016	Opening balance 07.06.2016
Cash and cash equivalents		30	-
Total current assets		30	0
Loans to Group companies	2.1	272,148	-
Investments in subsidiaries	2.2	200,000	200,000
Total non-current assets		472,148	200,000
Total assets		472,177	200,000
Accounts payable to Group companies		27	-
Accrued expenses		258	-
Total current liabilities		285	-
Bond	2.3	100,000	-
Total non-current liabilities		100,000	-
Total liabilities		100,285	-
Share capital		1,280	1,000
Statutory capital reserves			
– Capital contribution reserve		142,699	-
– Other capital reserves		199,000	199,000
Voluntary retained earnings			
– Profit carried forward		-	-
– Profit for the year		28,914	-
Total equity	2.4	371,892	200,000
Total shareholders' equity and liabilities		472,177	200,000

INCOME STATEMENT

In CHF 1,000	Note	07.06.2016 - 31.12.2016
Income from investments in subsidiaries	2.5	30,000
Interest on loans to Group companies		832
Total income		30,832
Personnel expenses	2.6	-331
Administrative expenses		-1,365
Financial expenses		-222
Total expenses		-1,918
Profit for the year		28,914

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 (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

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

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

1.2 ASSETS

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

1.3 LOANS AND INVESTMENTS

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

2. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

2.1. LOANS

In CHF 1,000	31.12.2016	07.06.2016
Loan to Investis Investments SA	272,148	-
Total loans to Group companies	272,148	-

2.2. INVESTMENTS

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

2.3 BONDS

A CHF 100 million bond maturing on 15 November 2021 was issued on 15 November 2016. The coupon is 0.55%. Information on loan conditions is published in [Note 16](#) of the consolidated financial statements in this report.

2.4. EQUITY

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

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

As at 31 December 2016, 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.

In CHF 1,000	Share capital	Legal capital reserves		Voluntary retained earnings	Total equity
		Capital contribution reserve	Other capital reserves	Profit for the year	
Equity as at 7 June 2016	1,000		199,000		200,000
Capital increase	280	142,699			142,979
Profit for the year				28,914	28,914
Equity as at 31 December 2016	1,280	142,699	199,000	28,914	371,892

2.5 INCOME FROM INVESTMENTS IN SUBSIDIARIES

In 2016 the dividend from investments in subsidiaries amounted to CHF 30.0 million.

2.6. PERSONNEL EXPENSES

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

3. OTHER INFORMATION

3.1 FULL-TIME EQUIVALENTS

Investis Holding SA has no employees.

3.2 SIGNIFICANT SHAREHOLDERS

Upon listing on 30 June 2016, Stéphane Bonvin was the only significant shareholder. As at 31 December 2016, 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 9,751,080 shares or 76.18% of the outstanding share capital.

3.3 SHARE OWNERSHIP

Members of the Board of Directors

(non-executive)

As at 31 December 2016 the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

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

Members of the Executive Board

(including the executive member of the Board of Directors)

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

- 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. A lock-up period of 12 months after the first trading day applies to any shares in excess of a 67% stake in the share capital of Investis as of the first trading day.

3.4 EVENTS AFTER THE BALANCE SHEET DATE

On 14 February 2017 Investis Holding SA issued a CHF 140 million fixed-rate bond with a coupon of 0.25% and a tenor of two years (until 14 February 2019). The proceeds were used to repay mortgages.

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	31.12.2016
Profit brought forward from prior year	-
Profit for the year	28,914
Retained earnings available for Annual General Meeting	28,914
The Board of Directors proposes to the Annual General Meeting that the balance be carried forward to the new accounts	
Balance to be carried forward	28,914

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.

Cash payout in CHF	31.12.2016
Payout per share, gross	2.35
Less withholding tax	-
Payout per share, net	2.35

- 1) There is no payout on treasury shares held by Investis. On 1 January 2017 no registered shares were held by Investis.

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 2016 and income statement for the year then ended (comprising the period from 7 June to 31 December 2016) and notes including a summary of significant accounting policies (pages 112 to 119).

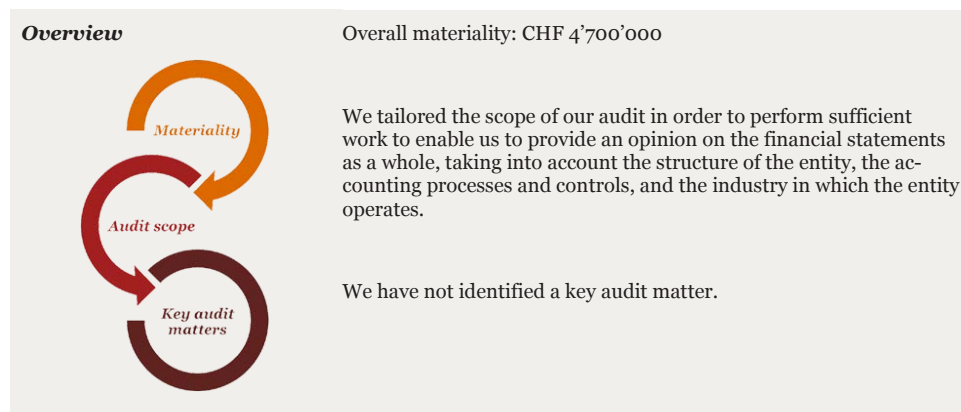
In our opinion, the accompanying financial statements as at 31 December 2016 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

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

Our audit approach



Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future

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events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

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

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

<i>Overall materiality</i>	CHF 4'700'000
<i>How we determined it</i>	1.0% of total assets
<i>Rationale for the materiality benchmark applied</i>	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of a holding company that does not engage in operating activities is most commonly measured.

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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.



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 financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

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

Oliver Kuntze
Audit expert
Auditor in charge

A blue ink signature of Barbara Kuhn is written over a light grey grid background. To the right of the signature is a small red square icon containing a white Swiss cross.

Barbara Kuhn
Audit expert

Bern, 21 March 2017